

Government 'buys' a new chief for BSC from America

Britain is to pay an American merchant bank a "transfer fee" of up to £1.825.000 to secure the release of Mr Ian MacGregor to be the new chairman of the British Steel Corporation in succession to Sir Charles Villiers. The Commons

heard the news with incredulity. Announcing the appointment Sir Keith Joseph, Secretary of State for Industry, said that Mr MacGregor, a Scottish-born businessman, was "phenomenally energetic and successful".

£1.8m deal angers Commons

By Fred Emery
Political Editor

There was incredulity, scorn and anger in the Commons yesterday when the Government announced that it would be paying a "transfer fee" of up to £1.825.000 to secure the release of Mr Ian MacGregor to be the new chairman of the British Steel Corporation.

Mr MacGregor, who will be 63 in September, joins BSC today and will succeed Sir Charles Villiers, aged 67, as chairman on July 1.

In vain did Sir Keith Joseph, Secretary of State for Industry, plead that this unprecedented arrangement was "entirely justifiable" in securing someone he said was "the best man for the job".

For the Opposition, Mr Michael Foot, the deputy party leader, called it "farcical bribery" besides Labour, MPs on the Conservative and Liberal benches were clearly dismayed when they had stopped hooting with laughter, at what one Conservative backbencher called the "Gilbert and Sullivan complexity" of the deal.

There were strong indications last night that the terms had not been put to the full Cabinet, and that some members of the Cabinet were worried at the public reaction to the news.

Sir Keith, when challenged to say whether the Cabinet had agreed the terms, would say only that it was a "government decision". Mrs Thatcher, sitting on the front bench, nodded her approval.

Such was the initial shock and hilarity over Sir Keith's dogged delivery of the details, as if they were the most normal way of paying the "going rate", that Mr Barry Jones, Labour MP for Flint, East, intervened with a rare public insult: "Is he well?" he asked of Sir Keith.

To secure Mr MacGregor's release from full partnership in Lazard Freres, the New York

firm, the government (not BSC) is to pay the fee in two elements. First Lazard will be paid £575,000 for the three years of Mr MacGregor's appointment; if he fails to serve the full three years, two thirds of that sum will be repayable, pro rata.

Second, Lazard will get, in a range from nil to £1,500,000, payments linked to BSC's performance under the new chairman.

Mr MacGregor will himself receive the £48,500 salary that goes with the job, plus any share of Lazard's profits which he would receive in the "limited" but no longer "active" partnership he would continue to hold in Lazard Freres.

He will also continue to receive payment for a directorship he holds in the American metals firm Amax.

Greatest hilarity in the Commons was reserved for Sir Keith's explanation of how the "performance" standards would be judged. They would be assessed by a committee consisting of two persons nominated by Amax and two persons nominated by Sir Keith and an "independent chairman agreeable to both".

The criteria for such performance standards, still to be defined, would include not only financial returns but also the public reaction to the news.

MPs clearly did not disagree with Sir Keith that in Mr MacGregor a man of high calibre had been found. They did not challenge his statement that BSC's present enormous loss-making might be turned round into "profitability" and the nationalized corporation made an "efficient producer" and a "secure employer".

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Mr MacGregor, a Scottish-born American, will join the bankrupt BSC today as a part-time deputy chairman and will take up his post as chairman at the beginning of July.

He will be relinquishing a number of directorships, including that of deputy chairman of BL—but will retain others and his links with Lazard Freres, the American investment bank, in which he is a senior partner. His role will be reduced to that of a limited partner with a reduced interest in the company.

The terms and conditions which the American firm has extracted from the Government in return for releasing him will

many were delighted when Mr Jo Grimond, the former Liberal leader, asked of Mr MacGregor: "If he does badly are Lazard Freres going to pay up?"

Clearly the terms needed to "compensate Lazard Freres for losing the business services of Mr MacGregor" (Sir Keith's phrase) stuck in the gorge of many MPs.

There was incomprehension that the Government had not anticipated the effect of it on its appeals for wage restraint; indeed, there was little sign that the Government had prepared itself for the mockery in the reception.

Mr MacGregor, appointed by the Labour Government to be deputy chairman of BL, has, although Scottish born, spent most of his working life in the United States and was from 1966-77 chief executive of Amax.

MPs could not understand why someone would not take the job to secure his country (as Mr Peter Emery put it), but Sir Keith explained that Mr MacGregor had committed himself to Lazard Freres in which he was a senior partner. It was normal American practice to "buy out" top executives in this way, he said.

In answer to questions Sir Keith disclosed that among about 40 names considered for the BSC post during his 10-month search, several, including one or two from the British industry, had been canvassed apparently ahead of Mr MacGregor.

Mr Foot, with Mr John Silkin, Labour spokesman on industry, pressed for a Commons debate on the appointment. Mr Foot calling Sir Keith's manner an insult to workers and management at BSC. However, ministers last night indicated that the Government will refuse to arrange a debate next week.

Parliamentary report, page 11
Villiers message, page 14
Leading article, page 15

Action Day not trade dispute, MPs told

By Hugh Noyes
Parliamentary Correspondent
Westminster

Mrs Thatcher told the Commons yesterday that subject to confirmation by Sir Michael Havers QC, the Attorney General, trade unions would not have immunity from legal action in a court of law if they called out their members on the TUC's Day of Action against the Government's policies.

The Prime Minister was asked by Mr Ivor Stanbrook, Conservative MP for Bromley, Orpington, to warn the TUC that neither the law, nor the Government would protect them by one penny from action in the courts by businesses who suffered damage when their workers were called out on May 14.

Sir Michael Havers is in Barbados at a conference of Commonwealth law officers and is not expected back before the middle of next week.

The Institute of Directors has asked Sir Michael to clarify the position.

No part, teachers say: The Assistant Masters and Mistresses Association will take no part in the TUC's Day of Action, yesterday.

Of the five main teachers' unions, only the National Union of Teachers, which represents just over half all teachers, is planning to support the TUC but only 18 of their 558 branches have said that they will stage half-day strikes.

Normal television: Two of the main broadcasting unions have decided not to recommend their members to stop work on May 14. Kenneth Gough writes. They are the Association of Broadcasting and Allied Staffs and the Association of Cinematograph, Television and Allied Technicians.

Parliamentary report, page 11

Deadlines pass without incident at Iranian Embassy as Briton is freed Police say gunmen's demands cannot be met

By Stewart Tendler,
Nicholas Timmins
and John Witherow

The demands made by the gunmen in the Iranian Embassy in London cannot be met, in full, Sir David McNee, the Commissioner of the Metropolitan Police, said last night as the siege, believed to involve 20 hostages, approached the end of its second day.

Although the gunmen have not suffered demands which involve the release of 91 prisoners in Iran and a flight out of Britain for the gunmen and their hostages, they have allowed two deadlines to pass without carrying out any of the threats they had made.

They also released Mr Christopher Craxi, a BBC producer, who needed medical attention. Last night the police said there were at least three Britons in the embassy.

One is Police Constable Trevor Lock, of the diplomatic protection group, another is Mr Sim Harris, a BBC sound recordist, and the third is thought to be Mr Ronald Morris, aged 47, a janitor at the embassy.

Among the Iranian hostages one has been identified by a spokesman as secretary, Mrs Kanji, who is three months pregnant, and another is a Lebanese journalist, Mustapha Karkouti.

Sir David McNee said in his statement: "The gunmen insist that the Iranian Embassy must know that it is not within our powers to meet all of their demands whatever our views on the rights and wrongs of their cause may be. I appeal to them to remain calm. Hasty action may cause even more suffering to their own people in Iran."

Sir David said he was especially conscious of the position of one of his own officers who in his duty was unwisely involved in a situation which he cannot even help to solve.

"All my officers engaged in this incident are concerned to do what we always try to do,



A policeman going down with a suspected broken ankle as he was trying to separate two demonstrators outside the Iranian Embassy Princes Gate, Knightsbridge, London, yesterday.

resolve the situation without loss of life said: "We must show patience and perseverance; that is what we propose to do."

Sir David spoke after the deadline set at noon and then 2 pm were well passed.

As the first deadline approached Deputy Assistant Commissioner John Dellow, in charge of the police operation, said he was not sure the gunmen could carry out to the full their threat to kill the hostages held in the embassy, calling on the students to remain calm and not get involved in confrontations with the police or rival groups.

There was a strong police guard on the Iraqi Embassy in

Queen's Gate, near by the belated embassy.

Later last night the police announced that a message was being sent to Iran from the hostages inside the embassy.

Neither the contents nor the length of the message were revealed. The mood of the gunmen is said to remain calm. Tehran warning: The Iranian Foreign Ministry warned Iranians against any attempt to seize the British Embassy in Tehran, the State radio reported. A ministry spokesman said any attack on the British Embassy would only benefit the Iraqi Ba'ath and America. (UPI reports).

More siege reports, page 3

Print unions' threat on May 14 legal move

By Paul Routledge
Labour Editor

Print union leaders last night predicted that no national newspaper would be published on May 14, whatever the outcome of the legal move by Express Newspapers to ban them from taking part in the movement's Day of Action.

Express Newspapers announced its intention to seek a High Court injunction against four newspaper unions soon after Mrs Thatcher told the Commons that the TUC's strike protest does not qualify as a trade dispute and therefore gives no protection for trade unionists from civil action in the law courts.

The Daily Express and the Evening Standard were yesterday given leave by Mr Justice Mals at a private hearing to bring their action against four named unions and their leaders next Tuesday. The court will be asked for an order rescinding calls to workers in the industry to take part in the Day of Action.

Mr Joe Wade, general secretary of the National Graphical Association, said: "It seems to me it is a futile gesture on their part, and one can only assume they are indulging in petty propaganda. We shall defend the action, and are quite confident we will defend it satisfactorily."

But whatever happens, we shall continue to follow the TUC line. There will be no newspapers on that day, one way or another, whatever anybody says. That is a fact, because I am quite convinced that our members will follow the TUC line."

Labour wins Worcester and Oxford

By Christopher Warman
Local Government Correspondent

The earliest results in yesterday's local elections showed that Labour seemed assured of the sweeping gains it had confidently predicted, with victories at Worcester and Oxford.

It is the first time the party has controlled Worcester. It needed to gain two seats to win control.

Labour also retained Stoke-on-Trent, with exactly the same number of seats.

Early results included:

Non-metropolitan districts
DERBY (Lab): C 6, Lab 8. New Council: Lab 26, C 18.
STOKE-ON-TRENT (Lab): Lab 20, C 1. New Council: Lab 57, C 3.
No change.
ROSSINGTON (C): C 4, Lab 8. New Council: Lab 1, C 1. New Council: C 21, Lab 13, L 2.
No change.

President Carter to go out campaigning

From Patrick Brogan,
Washington, May 1

President Carter has decided to abandon his Rose Garden strategy and leave the White House to campaign for reelection. He has not made any campaign trips since the American hostages were taken in Tehran on November 4, on the grounds that his presence was required in the White House.

He announced his decision yesterday, saying: "None of the challenges are completely removed, but I believe they are manageable enough that I can leave the White House."

Senator Edward Kennedy, stating the obvious, said today that President Carter's decision to start campaigning was "a political judgment". He thinks the President is facing a political disaster; and he said today that he believed the President's defeat in five of the seven most recent primaries and caucuses had led him to see the need to leave the White House.

The White House said that no arrangements have yet been made for the President's travels, but there is a primary in Texas on Saturday, and primaries in the District of Columbia, Indiana, North Carolina and Tennessee next Tuesday.

Yesterday, Mr Carter told a group of civic leaders who visited him: "It has been a long time that I have stayed in the White House under extraordinary circumstances. But times change, and a lot of the responsibilities that have been on my shoulders the past few months have now been alleviated to some degree."

Texas primary, page 9

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Letters: On Mrs Thatcher and the EEC, from Sir Peter Tennant, and others. Tube violence, from the Managing Director (Railways) London Transport; Eton fagging, Sir Rannulph Twisleton-Wykeham-Fiennes.
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Sir William Glyn Jones, Dr John Saxton
Features, pages 12, 14
Stewart Tendler on how terrorists can still get into Britain; Sir Charles Villiers writes an open letter to his successor; Michael Leapman on Jamaica's economic crisis.
Arts, page 13
David Robinson finds great pleasure in Derek Jarman's film of *The Tempest*; John Higgins on the Broadway revival of *West Side Story* and *Okla!oma!*; John Percival on Africa's "Fur" dancers; Irving Wardle on *The Dresser* in London.
Business News, pages 19-25
Stock Markets: Another strong performance by oils drew attention to the rest of the equities while the continuing fall in prime rates helped gilts. The FT Index rose 2.8 to 443.2.
Financial Editor: Controlling silver after Butler.
Sport, pages 17 and 18
Racing: Quick as Lightning wins 1,000 Guineas; Football: Bonds cleared for FA Cup final; Cricket: Australian party for Centenary tour.

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Swiss protest: A noisy demonstration by a group shouting "Queen go home" failed to mar the royal visit to Geneva 8

Cancer treatment: Glasgow medical staff are being inundated with requests for treatment with the drug interferon 2

Turkey ban: Imports of United States turkey were virtually ended by cutting the number of American factories licensed by the Ministry of Agriculture 7

Afghan troops kill 20
About 20 young people were reported killed in Kabul when Afghan troops and soldiers fired on protesting students. The disturbance apparently arose out of celebration of the second anniversary of the communists' initial takeover and led to one of the most serious demonstrations against Soviet occupation Page 10

Countryman change
Changes aimed at speeding up Operation Countryman, the inquiry into London police corruption, include the appointment of Mr Peter Matthews, Chief Constable of Surrey, as its controller, with two senior Scotland Yard officers as his principal assistants Page 2

Chemical arms plea
A report recommending that Nato's chemical weapon stocks should equal the estimated offensive capability of the Warsaw Pact countries as a deterrent has been prepared by a Conservative MP for the Western European Union Page 6

Print dispute goes on
Most provincial newspapers are expected to be off the streets for another week after an employers' decision to continue suspension of National Graphical Association members. Page 2

North Sea licences
A further 90 blocks in the North Sea are to be licensed by the Department of Energy for the exploration and production of oil and gas. This will be the seventh round of licensing since 1964 and is 20 blocks larger than originally planned Page 19

Birth curb ban attack
The official birth control is wrong is no longer tenable. The Clergy Review, one of the most influential Roman Catholic journals, says Page 2

£7,500m plan to modernize telephones
The Post Office plans to spend £1,500m a year over the next five years in an unprecedented effort to improve the quality of the telephone service. Mr Peter Denton, managing director of Post Office Telecommunications, said financing for the plan was being discussed with the Department of Industry and the Treasury, as external borrowing would be required. He envisaged a 50 per cent increase in the size of Britain's telephone network in the next decade Page 19

EEC to sell surplus butter to Russia
The EEC is to sell the Soviet Union 20,500 tonnes of heavily-subsidized surplus butter, at a total cost to the Community taxpayers of more than £22m. The sale is certain to provoke controversy Page 7

Prince defies doctors after polo fall
The Prince of Wales arrived at a dinner last night with an inch-wide sticking-plaster reaching from the base of his nose to his ear lobe, after falling from his pony during polo practice.
He told the Electronic Engineering Association: "I apologise to you for the state of my appearance. I feel rather guilty about it. I must say, I look as if I have just escaped from the Egyptian department of the British Museum."
What the Prince did not tell dinner guests at the Café Royal in London's West End was that he had stitches in his face after the accident at Windsor earlier in the day. He was treated at the King Edward VII Hospital.
The Prince said: "The doctors actually told me I should not come here this evening."
"They were most adamant about it, but as I had sweated blood over this speech I was damned if I was going to give it to the press secretary to read. This has become very much a personal matter."
Then the Prince launched into a strong call to the Government and public bodies to buy British.

Transfer conditions will be source of controversy
Re Peter Hill
Industrial Editor
The taxpayer is to pay up to nearly £2m in the form of an unprecedented "transfer fee" for the services of Mr Ian MacGregor, the American businessman who is to run the British Steel Corporation for the next three years.
Sir Keith Joseph, who announced the appointment in Parliament, said later that that was the price the Government had to pay for a man who was "phenomenally energetic and successful".
Mr MacGregor, a Scottish-born American, will join the bankrupt BSC today as a part-time deputy chairman and will take up his post as chairman at the beginning of July.
He will be relinquishing a number of directorships, including that of deputy chairman of BL—but will retain others and his links with Lazard Freres, the American investment bank, in which he is a senior partner. His role will be reduced to that of a limited partner with a reduced interest in the company.
The terms and conditions which the American firm has extracted from the Government in return for releasing him will

Mr Ian MacGregor: "Phenomenally energetic and successful."

be a source of continuing controversy and are bound to generate unrest among other state industry chairmen.

Although he will receive the same salary, £48,500, as Sir Charles (who will be leaving three months earlier than planned), that is likely to be increased as a result of recommendations from the Top

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HOME NEWS

Thatcher pledge of firm action against embassy terrorists

By Our Diplomatic Correspondent

It is a diplomatic move designed to reduce tension in Iran over the siege at the Iranian Embassy in London, Mrs Margaret Thatcher sent a personal message to President Bani-Sadr early yesterday, while the Foreign Office kept in touch with Mr. Foreign Minister, Mr. Sadeq Chubak, in Tehran. Mrs Thatcher's message, sent through the British Ambassador in Tehran, Sir John Graham, said: "I should like you to know of my deep personal concern about the situation at the Iranian Embassy in London."

This intrusion constitutes an act of terrorism, and an infringement of the immunity of diplomatic staff which the British Government finds totally repugnant, and is acting firmly to counter."

She hoped the incident will be resolved speedily and I assure you the safety of the lives at stake will be of paramount consideration."

The Home Secretary is personally in charge of the situation and I am taking a very close personal interest. I wish to assure you that we shall be keeping in constant touch with you and your government."

Meanwhile the Foreign Office confirmed that Mr. Chubak had expressed his thanks for the earlier expression of British concern, sent after the siege started.

The Foreign Office has been in touch with the Ministry of Foreign Affairs in Tehran and with Mr. Chubak in Abu

Dhabi and Dubai about aspects of handling the situation. Assurance cited: Mr William Whitelaw, the Home Secretary, was in continual contact yesterday with developments at the Iranian Embassy in Knightsbridge (Sun. Parliament Correspondent writes).

Although the situation prevented him from being in the Commons, to answer the questions to the Home Office, Mr Whitelaw later made a statement to the House in which he assured MPs the contrary to reports of injuries, no one had been seriously hurt.

The terrorists, he said, had given an assurance that the British hostages would not be harmed. About 20 people were being held in the embassy.

Because of the delicate nature of the negotiations that were continuing between the police and the terrorists, MPs, as suggested by Mr. Whitelaw, were asked to refrain from questioning the Home Secretary.

Rees pointed out, however, that it might be salutary for the Iranian Government to realize that this country took seriously the need to protect those in diplomatic missions.

Mr Whitelaw said that since the incident began the building had been surrounded by the police.

They had maintained communication with the terrorists, with a view to bringing the incident to a peaceful conclusion without loss of life.

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Atmosphere by embassy varies from carnival to fear

Police separate chanting groups

By Nicholas Timmins

The atmosphere near the Iranian Embassy at Princes Gate, Kensington, changed yesterday from farce and near carnival to moments of frightening nationalist fervour when rival groups of chanting demonstrators faced each other in the warm spring sunshine while the hostages sat out the second day of their ordeal.

A policeman received a suspected broken ankle and several arrests were made when police separated two groups of pro-Khomeini Iranians. Five policemen struggled to pin down a frantic demonstrator who lashed out with hands and feet.

There were other arrests later when police eased a group of British and Americans away from more than 100 Iranians kept by the police in the park.

The main group of about 200 in Kensington Road were penned between lines of policemen.

A banner saying "Free the Yanks" was hung from a block

of flats and a group of about 100 Britains and Americans, led by students from Imperial College, sang *Rude Britannia* and the British and American national anthems, and shouted: "Go home you bums". The Iranians in the park, amid a crowd of several hundred people, retorted by chanting pro-Khomeini and anti-American slogans.

The students brought a piano to lead the singing and a group of drum-beating, saffron-robed Buddhists appeared, only to be shepherded by police away from the main demonstration.

At one point some of the British crowd knelt and prayed in mock Muslim style at the Iranians and posters proclaiming "Want to die for Khomeini? then drop dead" and "Stop bloodshed in Iraq" were waved.

An American youth from New York who told the Iranians that he had nothing against them, was lifted to their shoulders while they chanted "Long live the American nation".

The main crowd of Iranians, some carrying blankets with which to bed down for the night on the road, alternated between silence and shouting slogans. Late in the afternoon a mullah appeared to lead the chanting by the Iranians in the park and those in the road.

A false report on the radio saying that the British Embassy in Iran had been occupied stimulated the Iranians into cheering and dancing.

Protest over raid: About 50 May Day demonstrators, many of them Iranians, gathered outside the United States Embassy in London yesterday to protest against the unsuccessful American attempt to free the hostages held in Iran. (A Staff Reporter writes).

A group calling itself the Socialist Organizer and Iranians living in Britain handed in a note to the embassy in Grosvenor Square calling on the United States to recognize the right of Iranians to self-determination and to abandon military threats and action against Iran.

After-care important for hostages

By Jacob Ecclestone

Unless preparations are made for their after-care, those taken hostage in the Iranian embassy and likely to suffer long-term effects from their ordeal.

A study carried out for the Dutch Government by the department of psychiatry at Leyden University after seven cases of hijacking or kidnappings involving nearly 300 hostages between 1974 and 1977 contains firm recommendations on the sort of help hostages and their families should be given.

They include an immediate reception centre for the victims; a centre for their relatives, which they should be encouraged to organize themselves; after-doctor and social workers; and suggestions that victims make use of facilities for consulting with psychiatrists and psychologists.

The Dutch report, based on interviews with 168 former hostages between 1977 and 1979, was expected to disclose

similarities between wartime imprisonment and the taking of hostages.

Professor J. Bastiaans, chairman of the investigating team, carried out research into the interrogation of IRA suspects in Northern Ireland which later led to a complaint against Britain at the European Commission of Human Rights.

The short-term effects of being held hostage, those that show up within four weeks, were insomnia, depression, phobias, with women showing stronger effects than men.

Long-term effects, found among two-thirds of those held hostage, were irritability, vague physical complaints, a strong preoccupation with the fact of having been a hostage and feelings of being misunderstood.

Again, women showed stronger symptoms than men. Understandably, the length of captivity was reflected in the strength of the effects.

A distinction was drawn between positive and negative effects, for more than half the

people held hostage reported, later that they were able "to see the relativity of things".

One conclusion of the report is that each new case of hostage-taking had the effect of reviving previous fears and stress among earlier victims.

Emphasizing that most of those released from hostage greatly appreciated after-care, the report says that the initiative for help must come from the doctor or social worker rather than the victim.

It was important that former hostages should "get the opportunity to talk about their experiences during the first hours after their release".

The process of adjustment, release, was also examined, and the report says that "positive thinking", diversions, belief in God and especially contact with fellow hostages were important.

Two other findings were that negative after-effects tended to be weaker among older and more highly educated people.

Sanctions Bill depends on Brussels meeting

By Fred Emery

The Government's decision on what enabling Bill is required to impose economic sanctions on Iran now depends on a European Economic Community meeting of officials in Brussels next week, ministers disclosed yesterday. Indeed, it seems that the May 12 date which—failing release of the Iranian hostages—EEC heads of government have agreed to set for the joint implementation of sanctions may be more a flexible target than a deadline, in the view of some ministers.

Among them the Government believes will require new legislation are consensual arrangements (although it is not clear to the Government whether existing contracts would be suspended); compensation; shipments, including transship-

ments in Britain of goods for Iran; and financial affairs, including the possible freezing of Iranian assets.

Mr Whitelaw's Brussels meeting a further meeting of Cabinet ministers will be held to decide the terms of the legislation. The Government hopes to introduce a short enabling Bill to become effective through the Council in the next week. But its rapid passage would depend heavily on Opposition cooperation.

While it seems that the Government can count on the support of Mr Peter Shore, Labour's foreign affairs spokesman, the shadow Cabinet is uncertain, and Labour's left wing is bound to oppose the move.

Some Conservative backbenchers also oppose economic sanctions on principle.

Teachers' letter raises hopes about pay talks

By Diana Golds

A letter sent yesterday by teachers to local authorities, clarifying their intentions regarding the continuation of serious negotiations on conditions of service, could provide the means for a breakthrough on teachers' pay negotiations, which resume today.

Mr Douglas McAvoy, deputy general secretary of the National Union of Teachers and convenor of the teachers' side of the joint Council of Local Education Authorities (CLEA/SLT) committee, decided not to attend a secretly planned meeting with local authority leaders yesterday.

He wrote instead to Mr Alan Ginn, under-secretary of the Local Authorities Conditions of Service Advisory Board, explaining why he believed that the replies from four of the five main teachers' unions to the employers' request for an assurance as to their intentions on resumption of service did not provide a reasonable, responsible, and satisfactory response.

All four unions were willing to continue discussions to try to seek "an agreed definition on the teachers' day and year, within which the working party (on conditions of service) could recommend, and where appropriate quantify, specific responsibilities", he said.

Teachers accepted that any negotiations would seek to define, as far as was practicable, the teacher's day and duties.

Scheme to grade doctors for consultancies

By Our Health Services Correspondent

The British Medical Association is proposing a new grade of hospital doctor because too many junior doctors are trying for too few consultancy posts. Comments are to be sought from members on a document published yesterday which proposes that there should be two categories of registrar post.

One would be for those doctors approved for the first stage of higher training in a specialty. These posts would be limited in number to give reasonable prospect of obtaining a senior registrar's post.

The other category would be for general professional training posts suitable either for a doctor wishing to make a career in the specialty or for one intending to enter one of the allied specialties.

The document was drawn up by Dr John Nabarro, chairman of the Joint Consultants' Committee, which draws members from the British Medical Association and The Royal Colleges. It was established to formulate policy about consultants and hospital practice.

Its proposals are designed to tackle the difficulty of those doctors who train for as long as 15 years in hospital, only to find that their hopes of becoming a consultant will never be realized.

The report, *Hospital Staffing in the 1980s*, was presented to the BMA's central committee for hospital medical services yesterday.

Historic hall to be opened to public

From John Young

With some trepidation the National Trust is preparing to open to the public one of its latest and most cherished acquisitions, Dudmaston Hall, near Bridgnorth, Shropshire in about two months' time.

Its trepidation comes from the fact that Dudmaston is too small to withstand mass tourism. Architecturally the house is of no great distinction, dating from the beginning of the eighteenth century, with some Palladian touches superimposed more than a century later.

However, its history, surroundings and contents distinguish it. Until it was given to the trust two years ago it had not changed ownership except by inheritance, and both gardens and estate are considered classic examples of their kind.

The house was built by Sir Thomas Wolryche and subsequently became the home of the Wolryche-Whitmore family. The last owner was Lady Labouchere, who still lives there with her husband, a retired diplomat.

In the four main rooms to be opened to the public, a special "timed" ticket system will operate to prevent overcrowding; some small galleries will also be open in the south wing. Their contents include a fine collection of modern paintings.

Visitors will also be free to roam the glorious gardens, which slope down to a lake and are modelled on the lost Leasowes of William Shenstone.

Dudmaston will open on Wednesdays from 2.15 to 6.30 pm, and on Thursdays for pre-booked parties only. The opening day has yet to be decided.

No damages for boy blind for life

A boy aged five blinded for life after being given oxygen after his premature birth failed to win damages yesterday in a negligence claim against a hospital authority.

"Robert" was only about the size and weight of a two-pound bag of sugar when he was born in 1975.

Mr Justice May in the High Court in London said he was not satisfied that giving the baby oxygen treatment for the first 36 hours of his life played any substantial part in his developing an eye condition which led to total blindness.

The boy would have received £7,500 damages had he won his claim against Kensington, Chelsea and Westminster Area Health Authority and Dr Hamlyn M. T. Coles, consultant paediatrician. They had denied acting negligently.

The boy is in the care of Westminster City Council and had sued through Mr Francis Fowler, the Director of Social Services.

The judge said he regretted to have to hold that in being given an oxygen enriched atmosphere, even to the extent of only 30 per cent, the standard of care accorded to the baby fell below that expected of a hospital holding itself out as capable of taking care of premature babies.

He was not satisfied that keeping the boy in excess ambient oxygen for the first 36 hours played more than a minimal, if any, part in the subsequent tragedy.

Although the 36 hours covered a period when Robert was not at risk, relatively the ambient oxygen concentration was not greatly in excess of normal or as high as it was on occasions later.

Even though Roberts may have been most at risk during those 36 hours, he still remained a premature, very small and, on occasions, very unwell baby throughout the next three or four weeks.

By the end of that period the damage was complete and irreversible. The judge said he "could not convict the defen-

dants of negligence" in administering additional oxygen during a second phase of Robert's hospital care when he was having recurrent breathing difficulties.

The judge said it was accepted that in all respects but one, the administration of excess oxygen, the care given Robert by doctors and nurses looking after him in the hospital between January and October, 1975, could not have been bettered.

Few babies born as small as Robert and so prematurely survived, the judge said. At the time Robert's chances of survival were about one in ten. But as a result of skilled care and attention at Westminster Children's Hospital over nine months Robert, apart from his blindness, was a healthy five-year-old.

The hospital authority and Dr Coles were awarded their costs of the action.

Dr Coles, who has retired, did not give evidence although he was in court for most of the hearing. The judge had been told he had no personal recollection of Robert's case.

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WEST EUROPE

The Pope embarks on six-nation tour of black Africa

From John Earle
Rome, May 1

The Pope flies tomorrow in Kinshasa, Zaire, on the first leg of an exhausting 11,000-mile tour of black Africa that will take him to six countries in 10 days. It will be his first foreign trip this year, but will be followed in coming months by visits to France, Brazil and the Philippines.

The Pope has emphasized the religious nature of the journey to Zaire, the Congo, Kenya, Ghana, Upper Volta and Ivory Coast. His purpose, he said recently, would be above all religious, a journey of friendship and brotherly love, to greet the populations and, knowing them better, to be able to love them better.

The Polish-born Pope will be able to gain a first-hand, if fleeting, impression of the problems facing the Roman Catholic Church in Africa, such as the pressure of Islam from the north and east, or the difficulties of running church schools in some countries. In Zaire the state took over the Church's schools in the mid-1970s though

it later handed them back, and in the Congo they are still nationalized. In all six countries, where the Roman Catholics are estimated to total 18 million, he will meet the president and political as well as ecclesiastical authorities.

The visits to Zaire, the Congo and Ghana are particularly significant, as 1980 marks the centenary of the evangelization of those countries by Roman Catholic missionaries.

In a flying first to Zaire, the pontiff has chosen to start with the country with the largest Roman Catholic population, estimated at about 11 million. On Monday he crosses the Congo River by boat to neighbouring Congo.

The stay in Kenya, from Tuesday afternoon until early Thursday morning, will include a meeting with Muslims. After his arrival in Accra, Ghana, on Thursday the Pope will undertake baptisms and confirmations at an open-air Mass. On Saturday he visits Upper Volta—one of the poorest countries of the continent—before flying to Ivory Coast.

Herr Schmidt takes up invitation to Moscow

From Patricia Clough
Bonn, May 1

Herr Helmut Schmidt, the Chancellor, disclosed today that he has decided to accept President Brezhnev's invitation to May Day rally, he let slip that he would "see the Soviet leaders in Moscow". He would tell them to "Start pulling your troops out of Afghanistan, where they do not belong."

The Chancellor was due to visit Moscow early this year, but when the Soviet Union intervened in Afghanistan arrangements for the trip had not been made. When the Soviet Union asked him to discuss a date recently, he postponed his reply.

Herr Schmidt's spokesman has repeatedly emphasized that he would not be going as a mediator.

Protesters fail to reach Queen in Switzerland

From Alan McGregor
Geneva, May 1

A noisy, anti-royalist demonstration failed today to mar the happy progress of the Queen's visit to Switzerland when she visited Grün 80, the national gardens and environment exhibition, at Basle. About 250 demonstrators, shouting "Queen go home!", were intercepted by police before getting within earshot of the royal party.

A dozen people were detained and placards, plastic bags of paint and rotten eggs were seized. The demonstrators, thought to be from the far-left fringe, had left a May Day parade through the city.

The only other event on the programme, restricted after yesterday's strenuous day, in western Switzerland, was a banquet tonight at the British Ambassador's residence in Bern.

For Grün 80 in rainy, seasonal weather, the Queen was in a salmon-pink two-piece suit, with hat of darker pink—a change from the first two days of the visit when she wore coats and matching hats.

Because of his refusal to tonight's dinner at the embassy, Mr Willy Ritscher, the Socialist Finance Minister, delivered his traditional May Day address last night at Kirchberg, near Bern. He spoke in a prompt, in part, having discarded his prepared text, which, nevertheless, was published in today's newspapers.

In it, the minister expressed astonishment at the Swiss public's interest, as reflected in the "yellow press", in details such as "the clothes the Queen is wearing, including underwear and petticoats. Many people have been interested in things that are in their own digestion."

Four planes on same flight level

By Frances Gibb

A fourth aircraft was cleared for the same flight level by Spanish air traffic controllers as the Boeing 727 crash on Friday, Tenerife, which killed all 146 people on board. It was unofficially disclosed yesterday.

The aircraft was a Spanish-owned Iberia Airlines light aircraft which was heading for the new airport in the south of the island, Queen's.

It has now emerged that in addition to the Boeing 727, which crashed on a mountain side 11 miles south of Los Rodeos, there was a Boeing 737 of Britannia Airways, the package holiday operator, operating from Luton, a Boeing 708 of British Airways, the British Airways package holiday subsidiary airline, based at Gatwick, and the light aircraft all at the same flight level.

The 737 crew questioned the flight level then, given when they were given a similar level being given to the 707 and it was changed. They have now filed an air-miss report.

About 172 miles north of Tenerife there is a change from Portuguese to Spanish air traffic control and all four aircraft would have come under the Spanish controllers.

Seconds before the accident, the airliner reported a ground proximity warning to the control tower, it now emerges. The commission of inquiry at Tenerife has said that the tapes from the control tower, recording communication between the tower and the aircraft, show that the last radio call from the Boeing 727 was at 14.21.

The proximity warning was "whoop, whoop, pull up, pull up" signal sounding in the cockpit. Previously it had been thought last contact was at 14.19.

At that time, the aircraft was cleared for 5,000 ft, but after that point, if following the laid-down landing procedure, it would have begun to descend at roughly 300 ft a mile.

The black box, or flight data recorder, has been sent to Madrid for analysis and results, which will be sent to the Accidents Investigation Board at Farnborough, are expected in a few days. The 100 ft tape will give details of engine power, pitch and roll and functioning of the instruments.

Identification of the bodies, mostly by teeth (dental records are being wired to Tenerife) is continuing and is now about half-way through, a Span-Air official said yesterday. It is not going to be possible to identify every corpse by name but all will be flown home, probably in two and a half weeks' time.

Swedish call for resignation of Government

From Roger Choate
Stockholm, May 1

Swedish union leaders addressing cheering May Day crowds here demanded the resignation of the Government as Sweden moved closer to industrial chaos.

Mr Gunnar Nilsson, chairman of the Swedish Trades Union Federation, said the Government of Mr Thorbjörn Fälldin was "in collusion with industry" to reduce living standards, to solve Sweden's economic problems.

The Swedish Employers Federation yesterday ordered a lock-out of 500,000 blue collar workers from tonight.

Mr Nilsson, in response, ordered selective strikes by about 100,000 workers in key sectors. Their strike will stop production in mines and of steel, paper and pulp.

OVERSEAS



May Day marchers in Red Square carrying a placard demanding an end to "imperialist meddling" in Afghanistan.

British envoy joins ambassadors' boycott of May Day parade in Moscow

From Michael Binyon
Moscow, May 1

Sir Curtis Keeble, the British Ambassador in Moscow, today joined an informal boycott by 16 countries which refused to send senior diplomats to the annual May Day parade in Red Square.

The countries, which included 11 members of Nato, did not send their ambassadors or senior officials to the parade to observe the march-past of thousands of workers, as a protest at Soviet intervention in Afghanistan. They were represented in the stands by junior diplomats.

Mr Thomas Watson, the American Ambassador, is not in Moscow at the moment, having returned to Washington privately after Mr Cyrus Vance's resignation. But the United States Charge d'Affaires stayed away from the parade, an embassy spokesman said it was not appropriate in the present climate of relations for him to attend.

The other countries in the boycott included Australia, Belgium, Canada, China, Den-

mark, West Germany, Ireland, Italy, Japan, Luxembourg, The Netherlands, Norway, Pakistan and Portugal. The French Ambassador went to Red Square as usual.

President Brezhnev, looking relaxed and smiling, took the salute from the top of the Lenin Mausoleum flanked by Mr Kosygin, the Prime Minister, Mr Suslov, the top ideologist, and other members of the Politburo.

The parade took its usual non-military form (last year soldiers with bayonets took part in the ceremonies for the first time since 1968). Sportsmen led the procession, but there was no display by gymnasts.

Afghanistan was a prominent theme of posters and floats. One float with a map of the country bore the slogan "We are with you, revolutionary people of Afghanistan."

Interference of imperialist forces in Afghanistan," Ankara: Strict security measures made May Day in Turkey a relatively calm day, with only one dead, four

wounded, and about 1,000 people arrested.

The death occurred during an unauthorized rally in the Mediterranean city of Antalya, where demonstrators are alleged to have attacked security forces. One demonstrator was killed and four people wounded, two of them policemen.

Tehran: Motorcycle gangs rode to a May Day rally here and violent clashes broke out when they threw stones at a speaker and drove at full speed into crowds of left-wing Mujahideen E-Khalq supporters. One youth was dragged from his machine and attacked.

Hundreds of anti-Mujahideen rioters joined the fray, mostly religious extremists. They stormed the building where the rally was being held and threw stones at the audience from the first floor. At least 40 people were injured.

In a message to Iranians, Ayatollah Khomeini said May Day was to be observed as "The day for burying the superpowers' dominance."

Madrid: At the end of a May Day march by several thousand

supporters of the anarchist trade union, the National Labour Confederation, a small breakaway group failed to disperse when police asked them. Police used tear-gas grenades and there were clashes in which nine people were injured.

Paris: Thousands marched through the streets, but supporters of the two main trade union confederations marched in opposite directions. They had been unable to agree, despite long negotiations, to mount their traditional unified parade.

Tel Aviv: More than 120,000 trade unionists paraded here in an unprecedented anti-Government demonstration.

Santiago: Seven Italian labour leaders invited to Santiago, Chile, by opposition labour organizations were arrested briefly by the police and freed after Italian Embassy officials intervened.

Police patrolled the almost deserted streets and a Mass, traditionally celebrated on May 1 in the cathedral, was cancelled by Archbishop Silva Henríquez because of threats of violence.

Ethiopia claims victory over secessionists

From Our Correspondent
Nairobi, May 1

Eritrean secessionist guerrilla units which had cut off the Red Sea port of Assab from the rest of the adjoining area, have been wiped out by Ethiopian troops after a fierce battle in the coastal area north-west of Assab. Addis Ababa radio announced today.

There has been intensive guerrilla activity from Eritrean groups operating along the Red Sea coast since the Eritrean Government says this region has now been cleared of "secessionist traitors".

Carrington-Muskie talks may centre on Iran oil

By David Spenser
Diplomatic Correspondent

The next stage in Western efforts to secure the release of the American hostages in Iran will be the main issue of Lord Carrington's talks in Washington with Senator Edmund Muskie, the newly nominated Secretary of State. The Foreign Secretary's visit is going ahead as planned, starting tomorrow.

The idea of a Western boycott of Iranian oil, if economic sanctions do not have their intended effect, is understood to be gaining favour in American circles. There are serious difficulties in putting such a boycott into practice, both in terms of arranging to share American and British oil among Western countries, and in its legal implications.

Export of Alaskan oil to Japan, for example, would require congressional authority, and any move to get the Aramco partners to increase production to help out Japan might run up against anti-trust

West Bank tension rises after Arab youth killed

From Christopher Walker
Jerusalem, May 1

Dangerously escalating tension between Arabs and Jews in the occupied West Bank was further exacerbated today by the death of an Arab schoolboy aged 17, who was shot during a scuffle with an Israeli officer in the small town of Aqaba.

The shooting came after one of the worst weeks of civil disturbances in the region since it was seized from Jordan during the 1967 war. It was soon followed by sporadic commercial strikes and an Israeli military government ban on an attempt to elect Arab mayors to hold an emergency meeting to coordinate protest action.

Palestinian sources said the dead youth was Mr Ahmed Chouli, adding that he was the first Arab to be shot dead by an Israeli in the occupied territories since early last year. They predicted that the incident would have far-reaching repercussions among the 200,000 Palestinians living in the West Bank.

Over the past eight days, the area has been marked by numerous angry Palestinian demonstrations, including the throwing of stones against Israeli military and private vehicles, retaliatory attacks on Arab property by right-wing Jewish settlers, and a series of strikes which have closed shops, businesses and schools.

Earlier this week, Israel's respected Hebrew daily Ha'aretz, said in an editorial that recent developments in the occupied territories hinted at a "rebellion" and posed the threat of violence on the scale now experienced in Northern Ireland. Many moderate Israeli politicians have expressed a similar view.

According to an Israeli military government spokesman, the day's shooting occurred after two senior Israeli officers had gone to the high school in Aqaba to restore order after a demonstration by hundreds of local schoolchildren. The young Arabs were protesting against a recent incident in Ramallah when four Palestinians were wounded.

The Israeli authorities said that the three Arab youths, one wielding a knife and waving a Palestinian flag, attacked the two officers with rocks. During the ensuing scuffle, one Arab was killed when a gun was discharged as he was fighting on the ground with an Israeli carrying an AK-47 rifle. The two other Arabs were injured. The military government official said that during the incident, the Israelis were stoned by other Palestinian children. He insisted that only two Israelis had been present at the school at the time the boy was killed.

There were conflicting reports from Palestinian sources who claimed that Israel troops had gone to the school to break up a protest demonstration. "The point is that once again an unarmed Palestinian has been killed by an Israeli bullet. This is a time the day was killed."

The incident coincided with the official start in a Tel Aviv suburb of the new round of intensive negotiations on Palestinian autonomy, arranged to reach agreement by the May 26 target date.

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Britons meet Saudi resentment

Continued from page 1

of attacks on Saudi Arabia in the British media. The attacks are seen as having been prompted by those opposed to Saudi Arabia's stand on the Camp David agreement and the Egypt-Israel peace treaty.

In the past 160 days I have spoken to executives of six British companies well established in Saudi Arabia. All said that business was proceeding as usual. Existing contracts had not been questioned and several companies had sought assurances from the government department that they were not excluded from bidding for future contracts, or had informally discussed the terms on which contracts might be renewed. In all cases the response had been favourable and in one a letter of intent to sign an important contract for work at the new Red Sea port of Yanbu was obtained.

Some of those I spoke to said they had met with strong expressions of resentment, or at least sadness, that so long-standing a friend of Saudi Arabia as Britain should show so little respect and understanding for its beliefs and traditions. But they had not found that this was held against them or their companies.

It seems, therefore, that the immediate effect of Saudi displeasure is more likely to be a warning to British companies trying to break into the Saudi market, and possibly by British seeking employment with Saudi official bodies.

The words that recur on the lips of Saudi officials when speaking of relations with Britain is "unfortunate". Death of a Princess is condemned as an attack on Islam and the Royal Family. But it is made clear that the cause of resentment is not simply that the film was shown: it is seen as only the culmination of a series

of the film was not to question the Islamic character of the punishment but to "reinforce the image of Islamic law and the Muslim faith as a bulwark in the eyes of the West".

Dr Mahmud Safar, Deputy Minister for Higher Education, was also, critical of last week's Panorama programme, for which he was interviewed along with High Commissioner Prince Fahd and Minister Dr Safar accused the BBC of showing only "carefully selected statements" from these interviews "to serve the purpose and unfortunately the purpose is always to hurt Saudi Arabia".

The decision to ask for the withdrawal of Mr Craig was taken just after that programme was shown, and some observers believe that the Saudi Government had been waiting in the hope that the BBC would present a more "positive" image of the country, to redress some of the damage done by the ATV film.

The moderates who opposed an open breach with Britain, it is suggested, found they had no leg to stand on when "even the BBC" presented an unfavourable picture.

There is little doubt that there was a division within the Royal Family about how to react, and that some would have preferred to ignore the film as being "beneath contempt". It is thought to have been the older members—Prince Muhammad, the grandfather of the executed princess, Prince Abdullah, commander of the National Guard, and the King himself—who insisted on taking a firm line, while Prince Fahd and Prince Naif, the Foreign Minister, probably favoured a more pragmatic line.

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HOME NEWS

London Transport may introduce 'light railway' to cut costs

By Michael Ball
Transport Correspondent

London Transport had a "frustrating" year in 1979, with deteriorating finances and services, though with some improvements towards the end, suffered a largely unwarranted criticism which had a demoralising effect on our staff. Mr. Ralph Bennett, the chairman, says in his annual report.

It is clear that in an effort to cut costs the enterprise is looking at the idea of a "light railway", possibly fully automated and unmanned, to link the City with Thamesmead instead of a full-scale Underground line which at £300m seems unlikely to secure the necessary finance.

There was a record loss of £31.4m, compared with the previous highest loss of £10m in 1974 and £15.5m in 1978. A main factor in the loss was a 40% increase in the cost of running the system, totalling £45m, double the amount budgeted.

Expenditure rose by £80m to £520m, but revenue rose only £50m to £479m in spite of fare rises in June and September totalling more than 20 per cent.

Greater London Council grants rose from £94m to £111m on revenue account, plus £28m (nearly double the 1978 level) on capital investment.

Bus mileage was down 4.1 per cent to 165 million (or seven million miles down on 1978); passenger miles were down 4.6 per cent to 2,690 million. As a result buses lost £54m, with traffic congestion, shortage of serviceable vehicles, and shortage of staff cited as the main reasons.

Underground mileage was down one million miles to 29 million, and passenger-miles were down about 1 per cent to 2,774 million, with staff shortages and unreliable vehicles

Farmers win curb on cheap imports of US turkeys

By Our Agricultural Correspondent

Britain severely reduced imports of turkey from the United States yesterday. The Government acted after hearing from farmers that imports threatened the survival of the British industry.

Air Peter Walker, Minister of Agriculture, Fisheries and Food, said the number of American factories licensed to send turkeys to Britain from 24 to three. His officials said that the other 21 had failed to meet a British deadline for making their plans meet EEC hygiene standards.

The National Turkey Federation of the United States regards this action as a protectionist move designed to shield British companies from competition.

American feed prices are less than half of those in the EEC, Mr. Maurice Stookes, chairman of the British Poultry Federation, said yesterday: "We commend the minister for his courage and determination." But he gave a warning at the annual meeting of the federation that the curb on imports would last only as long as it took for American companies to make their factories match EEC standards.

Prison riot fear unless numbers are reduced

By Frances Gibb

A riot on the scale of that at Attica Prison, in New York State, in 1971, when 43 people died, is likely in the next two years unless Parliament legislates to tackle prison overcrowding, the Howard League for Penal Reform said yesterday.

Mr. Louis Blom-Cooper, QC, the chairman, said in London that the Home Secretary's statement on the prison service was correct in its analysis that overcrowding was the root of the matter, but totally inadequate in its prescription.

Mr. Whitelaw had said that legislation would be "unpalatable" to the judiciary. "But it is not enough to exhort the judiciary (to cut sentences); it can only be done by grasping the nettle of a review by Parliament of the maximum penalty system," he said.

The league also called for a prison ombudsman, similar to that for the National Health Service, as there was in New Zealand and Canada. The chief inspector of prisons proposed by the Home Secretary would be limited in his powers, he said.

There were immediate measures that would ease overcrowding in the short-term, he said. Sentences, except those for life, could be cut by half for all prisoners. Alternatively there could be an amnesty for some prisoners.

Advocating a reduction in the prison population by 10,000 in the next 10 months, Mr. Blom-Cooper said it was not enough to propose removing prison sentences for lesser offences. The whole maximum sentencing system needed revision.

"Evidence has shown that the deterrent effect of a sentence is no different if it is 13 months, 12 months or even nine months," he said.

Mr. Whitelaw had proposed measures for dealing with drunkenness offences, Mr. Blom-Cooper said. But he had said nothing about freeing maintenance and fine defaulters, who could do community service instead, or making certain sexual offences, such as running a brothel, non-imprisonable.

Immediate action was being urged not only by "soft-headed libertarians like us", Mr. Blom-Cooper said, "but also Conservative MPs, such as Miss Janet Fookes, (Plymouth, Drake), who chaired an expenditure committee which produced a report, *Reducing Pressure on the Prison System*."

In a swinging attack on Mr. Merlyn Rees, the former Labour Home Secretary, Mr. Blom-Cooper said that Mr. Rees' claim, that with a larger majority he would have put those measures through, was outrageous.

WEST EUROPE

Resumption of butter sales to Russia will cost EEC £22m

From Michael Hornsby
Brussels, May 1

The EEC has agreed to sell 20,900 tonnes of heavily-subsidized surplus butter from its stockpile to the Soviet Union at an effective total cost to the Community taxpayer of more than £22m.

This is the first bulk sale of surplus butter to the Russians since the EEC tightened its export rules earlier in the year after the Soviet intervention in Afghanistan, and it is certain to provoke controversy.

Sir Michael Butler, Britain's permanent representative in Brussels, was instructed to raise the matter with his EEC colleagues at a meeting here this week, and Britain may take it up again at a foreign ministers' meeting next week.

The butter will be sold at a price of £670 a tonne, which compares with the price of 1,738 a tonne paid out of EEC funds to the Community dairy farmers who produced it. The butter is thus being sold at an effective rate of subsidy of £1,068 a tonne.

Put in another way, the Russians will be getting the butter from the EEC at a price of about 30p a pound, compared with the price of 80p to 84p a pound which EEC butter fetches in shops in Britain.

The decision to sell the butter at this price was taken last Tuesday by the Council of Ministers of the EEC's dairy management committee, on which officials from both the European Commission and national governments sit.

Only Britain voted against the sale as such.

There is likely to be an out-

cry over the sale from Conservative members of the European Parliament who last February piloted through the assembly a resolution calling for a ban on the subsidized export of foodstuffs to the Soviet Union.

EEC governments take the view that, while they should refrain from increasing sales to the Soviet Union to fill gaps left in Russian supplies by American sanctions, they are under no obligation to reduce exports below normal levels.

In an attempt to reconcile the conflicting demands of the Parliament and the Council, the Commission is operating a restricted system.

New Zealand offer: New Zealand said yesterday that it was ready to increase sales of butter in Britain at prices far lower than those now in force. The New Zealand High Commission told the Commons select committee on agriculture that its country's butter could be sold in Britain at 27p a packet if no EEC levy was charged (writes Hugh Clayton).

Most European butter sold in Britain costs more than 40p. The cheapest is 36p for a 250 gramme packet. The price of all EEC butter in Britain is cut by 7p a packet through an EEC subsidy.

Mr. Lawrence Gandar, the High Commissioner, said that a chance to sell much more butter in Britain would be "very attractive" to farmers and exporters in New Zealand.

New Zealand supplies almost half of the butter sold in Britain under an EEC protocol which will cease at the end of this year.

Guns may be used in next riots, Dutch police say

From Robert Schull
Amsterdam, May 1

Dutch police say that they may have to use firearms in any further confrontations with demonstrators similar to the one in Amsterdam yesterday which marked the investiture of Queen Beatrix.

One police official said he saw "hundreds" of cases yesterday in which the use of firearms would have been warranted under standing orders governing their use.

The police believe that they had insufficient means at their disposal to control the violence yesterday and are disgruntled by the large number of casualties.

They used water cannons and teargas against the rioters but despite almost continuous baton charges the riots lasted well into the night. The rioters mostly threw paving stones torn from the streets. Forty people were arrested all on charges of assault and 150 people injured, more than 100 of them police.

Mr. Hans Wiegel, the Minister of the Interior, complimented the police for their restraint.

Today the centre of Amsterdam, with its torn-up pavements and wreckage from plundered shops, looked more like the aftermath of a revolution than that of the installation of a new constitutional monarch.

Commentators were quick to point out, however, that the riots had nothing to do with sentiments against the monarchy. There was near general agreement that the agitation had been the work of young hoodlums out to cause trouble.

Opposition angered by Poniatoski panel

From Charles Hargrove
Paris, May 1

The special commission of 15 members of the National Assembly which will examine the Socialist resolution to impeach M. Michel Poniatoski, the former Minister of the Interior, before the High Court of Justice, seems determined to make haste, slowly in this affair. It elected its steering committee and immediately adjourned to May 14.

The election of the steering committee caused no surprise. It had been settled two weeks ago by agreement between the government parties. As expected, the president is a Gaullist from French Guiana, M. Hector Giscard d'Estaing.

A member of the UDRF and of M. Poniatoski's personal staff when he was minister, M. Gérard Longuet will probably be elected rapporteur at the next meeting. The vice-president and secretary of the steering committee are also respectively Gaullist and Giscardian.

The six representatives of the Opposition have protested against their exclusion from the steering committee. The Socialists refused the offer of the post of secretary, because the Communists were offered nothing. The Opposition also protested against the commission's refusal to hold its discussions in public.

"The determination of the commission to shelve the whole affair is manifest," the Socialists representatives declared.

The Communists accused the majority of organizing a cover-up. To thwart such manoeuvres they would fight for the complete publicity of the proceedings, as "the only guarantee it can achieve something."

The appointment of M. Longuet would be regarded by the opposition members as a provocation which could be challenged legally. He had personal ties of friendship with M. Poniatoski, and could not be both a judge and party to the case.

M. André Chevallier, the member of the Paris Court of Appeal entrusted with the supplementary investigation into the Broglie affair last week, heard M. Guy Simone, the former police inspector, awaiting trial on the charge of having organized the murder.

During the two-and-a-half years' inquiry by investigating judges, M. Simone had repeatedly stated that the police had been informed of plans to murder the Prince. According to the two police reports published by the *Camerl Enchaîné* last month which prompted the reopening of the case, the police knew of the threat at least three months before the murder. No one has so far challenged the authenticity of the two documents.

M. Christian Bonnet, the Minister of the Interior, in an interview to a provincial newspaper, said that M. Jean Ducret, the head of the Paris criminal police, who did not pass on to his superiors the information about the assassination plot, on the ground that it was too "fanciful," had done so on his own responsibility.

"I continue to have confidence in him," the minister said. All the senior officials who had been involved in the Broglie case at the time when M. Poniatoski was in office were still at their jobs. "They were still at their jobs," he said. "I have no reason whatever to question," M. Bonnet added.

Germans reassured by a minor agreement on transport links between East and West

Moscow clearly anxious for business-as-usual in Europe

From Patricia Clough
Bonn, May 1

A piece of paper was signed in East Berlin yesterday bringing a degree of reassurance to the war-nervous Germans.

In terms of the world crises, the document is a minor one: an agreement between East and West Germany to improve road, rail and canal links between Berlin and the West.

But it could not have been included without the approval of Moscow. It comes, therefore, as another sign that despite the tension elsewhere the Soviet Union wants quiet and stability in Europe.

In the past weeks, Germans have noted Moscow has been

careful to differentiate in its attitudes towards the United States and Western Europe.

After the initial freeze on contacts with the West as it adjusted to the apparently unexpected effect of its invasion of Afghanistan, the Soviet Union has made it clear that it means business as usual in Europe.

Thus Mr. Andrei Gromyko, the Soviet Foreign Minister, visited Paris last week; the invitation to Moscow for Herr Helmut Schmidt, the West German Chancellor, was renewed and the green light given for contacts between senior East-West German officials. The East-West German relations are

going through a period of unusual warmth.

The Soviet Union has even made remarkably little fuss about the West German Government's decision to recommend a boycott of the Moscow Olympic Games.

The only discordant note has been a particularly virulent attack on Western "military ambitions" by the Soviet news agency Novosti. The Germans are debating whether this was a technical slip-up at Novosti or a subtle attempt to test their reactions; in any case it was certainly not an official move.

So there is cautious hope here that tension will not be

allowed to spill over into Europe, undoing 10 years of West German efforts for détente and threatening the West's most vulnerable spot, beleaguered West Berlin.

The reopening of contacts provides the Russians with an opportunity to put their point of view to Western European countries, and thus, indirectly, to Washington. Soviet officials complain to the Germans that there is no one in Washington at the moment to whom they can talk.

Herr Schmidt has repeatedly emphasized the need to restart a dialogue between the two big powers and his forthcoming visit to Moscow might help.

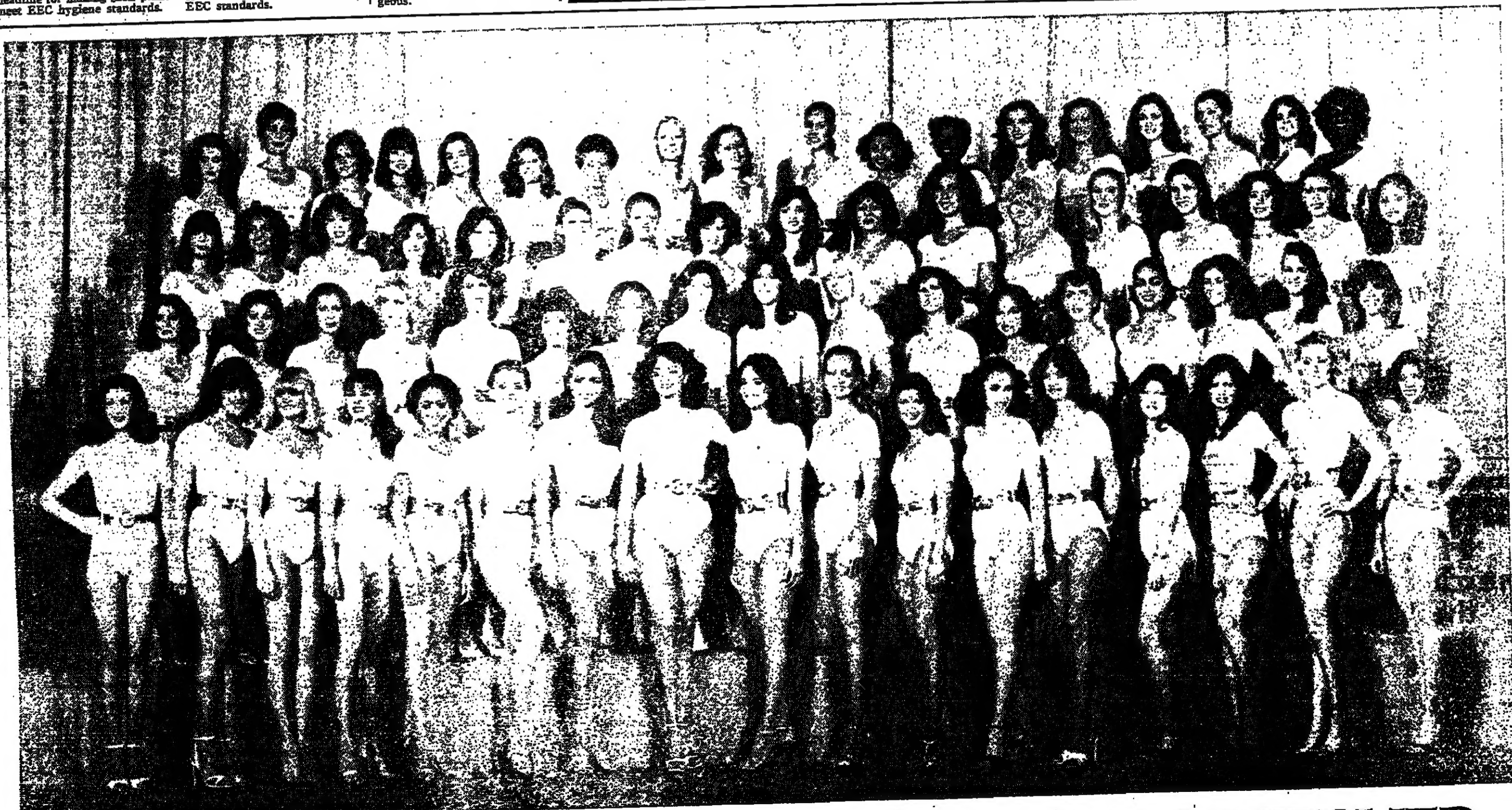
At the same time, there is

strong suspicion here, and in the United States, that the Soviet Union is also trying to drive a wedge between Washington and its European allies.

East European visitors, who are as concerned about the present danger to détente as the West Germans, assure them that this is not so.

But there are few illusions here that Moscow has had any reason to depart from its purpose of pursuing its ideological ends without necessarily risking the danger of war.

For this reason, among others, the West German Government uses any opportunity to reaffirm its solidarity and reliability as an ally of the United States.



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OVERSEAS

Kabul clashes between troops and crowds leave 20 reported dead

From Richard Wigg, Delhi, May 1

Violent clashes between Afghan students and security forces in Kabul during the past few days, according to reports from travellers in Afghanistan, have left about 20 young people killed, the reports estimated, and some 60 more injured, came as the regime was celebrating the second anniversary of the communist seizure of power. Students, numbering between 2,000 and 5,000, according to varying estimates, demonstrated in the main streets, throwing stones at official vehicles and shouting slogans like "Death to Karmal" and "Death to the Soviets" before they were fired on by Afghan troops and police, and dispersed. At least 300 of the demonstrators are believed to have been arrested. The demonstrations appear to have been the most serious, according to the eye witnesses' reports, which have broken out in the Afghan capital since February, uprising organised by the Afghan Muslim émigré groups based on northern Pakistan.

The students, many of whom are believed to be Islamic militants coming from middle class families, showed their resentment of the occupation of their country by Soviet troops.

There were cheers from some of the girl demonstrators when they recognised the United Nations flag on the car of Mr Michael Howell, the British Chargé d'Affaires in Kabul, as he drove by in central Kabul, eyewitnesses reported.

The participation of the girls was surprising although the tactic has been used by Islamic fundamentalists elsewhere in the region in order to show up the security forces as "cowards" and "collaborators".

Students from Kabul university and about 12 schools in the capital are believed to have participated in three different demonstrations on Tuesday, perhaps sparked off by the unconfirmed killing of a schoolchild by Afghan troops, in one Kabul school on Sunday, the actual anniversary date of the communist coup against the former Daoud regime.

Seoul yields ground over student military training

From Jacqueline Redie, Seoul, May 1

The South Korean Government went some way towards meeting the demands of rebellious students today when it announced that the controversial university training system would be reduced.

During the past month there have been sporadic and sometimes violent student demonstrations, strikes and hunger strikes in various parts of the country. Students are calling for the resignation of members of staff who were close to the former regime of the late President Park Chung Hee and are demanding greater freedom of representation on university councils and an end to the military training that is a compulsory part of their university course.

Dr Kim Ok Gill, the Minister for Education, who has made it clear that she has considerable sympathy for the demands of the students, announced today that the four hours training a week would be cut to two

About 200 mainly teenage schoolgirls first tried, eye witnesses said, to march on the Ministry of Foreign Affairs in the middle of the capital. After being turned back they then tried to demonstrate near the former royal palace, now known as the "people's house".

The girls chanted they were "the real men" to the armed guards outside the palace who belong to Mr Karmal's "Parcham" wing of Afghanistan's two-factioned Communist Party.

A scuffle developed in which six girls were killed, and several more wounded as the guards opened fire, eye witnesses said.

The most serious incident, however, came when thousands of students of both sexes went to the home of one of the ministers in the Karmal government and many were shot down by the security forces on guard outside.

Soviet troops were said to have conducted security patrols throughout the city on Tuesday, but there were no eye witness accounts that they took part in the street firings.

Fresh street demonstrations took place yesterday, despite increased patrolling by Afghan and Soviet armoured vehicles together with more helicopter patrols but there were no reports of casualties.

Troops withdrew: Soviet combat troops who spearheaded the first assault against Afghanistan's tribalised insurgents have withdrawn from the Kunar valley after occupying it for about six weeks, Pakistani and insurgent sources reported today (according to Reuters).

They said the bulk of the Soviet force had pulled back to Jalalabad, the main garrison in the area between the Khyber pass and Kabul.

The Soviet withdrawal took place about 10 days ago, the sources said. They added that small contingents of Afghan and Soviet soldiers remained to patrol a few key "buffer" valleys linking Kunar with Pakistan in the east and Laghman and Parwan provinces around Kabul to the west.

Afghan troops and their Soviet advisers who had fought in the province's main garrisons at Chagassari, Baricot and Asmar and air strikes are still being made.

—Reuters.

Polish writers protest at publisher's arrest

By Michael Scammell

Documents reaching London indicate that more than 80 Polish writers have joined the growing protest against the arrest at the end of last month, of Poland's leading publisher of unofficial books, magazines and documents, Mr Miroslaw Chojceki, who is now on hunger strike.

Mr Chojceki, a former research assistant at the Polish Nuclear Research Institute, was dismissed in 1976 on political grounds. Soon afterwards he founded Nowa, an unofficial publishing house established in Lublin, and showed great ingenuity in applying his technical knowledge to improve its printing methods.

Banned Opposition tries to form Pakistan front

From Hasan Akhtar, Islamabad, May 1

An effort to forge a political front to work for the restoration of parliamentary democracy is being made by the banned opposition party, the former air force chief is reported to have held talks with several political leaders including Mr Ghulam Pux Bizenjo of Baluchistan, in Karachi yesterday.

After being released from six months' house arrest last month Mr Asghar Khan announced he would campaign for the restoration of democracy in defiance of a martial law ban on political activity. Besides Mr Bizenjo of the National People's Party, he has also met Mr Miraj Muhammad Khan of Quami Mahaz and Shah Faridul Haq Jamiatul Ulama Pakistan, all parties dissolved last October by General Zia ul Haq.



Mr William Vanden Heuvel, American delegate to the United Nations, wipes his face after two men hurled red paint during a Security Council meeting.

Bombs break up leftist meeting in San Salvador

San Salvador, May 1—At least

eight people were wounded by machine gun fire in a bombing and shooting attack late last night at San Salvador's national university, witnesses said.

They said four powerful bombs that went off outside the university's law and economic schools broke up a meeting of the Revolutionary Democratic Front, a powerful leftist alliance of about 150,000 people.

Those attending the swearing in ceremony for a university student organization were met by machine gun fire from snipers when they ran outside the law school into the dark after the bombs went off. At least eight people were wounded, the witnesses said.

"The gunfire was so intense I thought we were being invaded by government troops," a witness said. The university has become a refuge for leftists who

hold their meetings, have their offices and spray their graffiti on its campus.

A patrol station attendant working across the street from the university, only two blocks from the United States embassy, said he saw three busloads of soldiers drive to the edge of the campus and fire during the attack, but his report could not be confirmed independently.

The skirmish at the university came after leftist guerrillas attacked a third military command post in as many days and the ruling junta claimed the front and other leftists would try to cause bloodshed during May Day celebrations.

At least 12 people were killed in the past 24 hours of fighting between the leftists and the moderate, but weak, military-civilian junta and between guerrillas and paramilitary terrorist groups.

Princess arrives on visit to Singapore

Singapore, May 1—Princess

Margaret arrived here today from Manila for a four-day official visit. This is her second official visit to Singapore.

The Princess will call on Mr Lee Kuan Yew, the Prime Minister, and President Benjamen Sheares. She will also visit an oil refinery on an offshore island and tour the waterfront.

Tomorrow evening Princess Margaret will be guest of honour at dinner given by President Sheares.

Gandhi Congress leader gives up his post

Delhi, May 1—Mr Homwati

Bahuguna today resigned as secretary-general of the Congress (I) party of Mrs Indira Gandhi, the Indian Prime Minister, saying that he did not want to be an unwanted guest at the Press Trust of India.

He also resigned from the Congress (I) parliamentary board, which is selecting candidates for state Assembly elections later this month, but he said that he would continue as an ordinary party member.

He stated the reason for Mr Chojceki's arrest was that he was not the first time that criminal charges have been brought against dissidents, when political charges are thought by the police to be inexpensive or inapplicable.

In March, Mr Edmund Zdzienicki, a dissident, was sentenced to three years' imprisonment for petty theft. In February an associate of Mr Chojceki, Mr Bogdan Grzesiak, was similarly charged with the theft of a duplicator and subsequently released.

In a recent letter to the Polish Writers' Association 53 Polish writers have affirmed that no one in Poland believes the stated reason for Mr Chojceki's arrest.

"His publishing activity fills a glaring gap, brought about by the censorship," they declared. "For many writers, whose works have been confiscated or banned from publication, the only chance they have of publishing their poems, novels and essays."

"We would like to draw your attention to the fact that Miroslaw Chojceki, whose honesty and generosity are widely known, has been falsely charged with a theft of which he is not guilty. The real and assiduously disguised reason for this repression is his part in the organization of independent publishing."

Law Report May 1 1980

Discretion on legal aid charges on property

Hanlon v Law Society

Before Lord Edmund-Davies, Lord Simon of Glaisdale, Lord Fraser of Tullybelton, Lord Scarman and Lord Lowry.

Legal aid costs of over £8,000 resulting from proceedings for divorce begun by a wife in 1972 and culminating in a Court of Appeal order transferring to her the whole legal interest in the former matrimonial home are a first charge for the benefit of the legal aid fund on the value of the house against her, or against a substitute charge on a replacement home.

The House of Lords so held, exercising its discretion under the Legal Aid Act 1974. But the Law Society has a discretion to postpone enforcement of the charge on the house against her, or against a substitute charge on a replacement home.

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contribution of £115 to the legal aid fund. The marriage was dissolved in 1974. There were also interdictory proceedings relating to access and child maintenance. In all the wife was legally aided by virtue of the full certificate as issued by the Law Society.

In February, 1976 the wife, still held to be legally aided under the same certificate, applied to Mr Registrar King for an order, inter alia, transfer to herself of the matrimonial home. The Registrar ordered the transfer of the house to her, and the wife was to pay the husband a lump sum of £5,000 (in effect buying out what was assumed to be his beneficial interest in the house). She was unable to raise the money, and the house was sold. The Registrar ordered the transfer of the house to her, and the wife was to pay the husband a lump sum of £5,000 (in effect buying out what was assumed to be his beneficial interest in the house).

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what property was recovered or preserved under that provision. The Registrar ordered the transfer of the house to her, and the wife was to pay the husband a lump sum of £5,000 (in effect buying out what was assumed to be his beneficial interest in the house).

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charge; and (b) to accept in substitution a charge on a replacement home.

The Master of the Rolls held, on the facts, that the word "day" in regulation 19(2) of the 1974 general regulation dealing with charges on property recovered or preserved ("The Law Society may enforce any such charge in any manner which would be available if the charge had been given in the instrument") gave the Law Society a wide discretion as to whether they can and should enforce the charge when it is just and reasonable to do so, but not when it is unjust and unreasonable.

The other two members of the court considered the paragraph did not give discretion to transfer the charge to a replacement home. His Lordship thought it was too narrow to hold that the prime, if not exclusive, duty of the Law Society in exercising its discretion was to the legal aid fund, its duty was rather to the whole legal aid scheme; and that would not exclude consideration, among other factors, of the assisted litigant and of the purpose and result of the litigation; also, in the instant case, the intention of the Court of Appeal as manifested in their judgments in 1977.

His Lordship held that the Law Society had a discretion to postpone enforcement of the charge on the house against her, or against a substitute charge on a replacement home.

He would add two suggestions: (1) Any tribunal exercising jurisdiction under sections 23 and 24 should bear in mind the possible effect of a charge arising under section 9(6), if made in the instant case, on the parties' rights. (2) The appropriate executive and legislative authorities should urgently consider the possibility of making any consequential amendments of the Legal Aid Act or the regulations that seemed desirable.

LORD SCARMAN, also concurring, said that the appeal had exposed to public view what family law was like in the present time—the existence of a poverty trap set by the legal aid legislation in the very heartland of the family law system. A legally aided wife, whose only provision for her future support was the home awarded to her under section 24 of the Matrimonial Causes Act 1973, was diminished catastrophically by the charge imposed by law for the benefit of the legal aid fund in respect of her husband's costs.

For Mrs Hanlon, a woman of limited means, the charge, when enforced, snapped shut, almost totally, the door to her capital asset. The arithmetic of the case was such that she could not be sure under existing regulations of being left with more than £2,500.

The discretion whether or not to enforce the charge or how otherwise to manage it belonged to the Law Society, not the court. All that the House could do was to dismiss the appeal, while expressing the hope that the Law Society would reconsider the matter in the light of their Lordships' opinions.

LORD LOWRY, also concurring, said that the appeal showed that the Law Society which exercised the discretion which the Lordships all believed it had to refuse to enforce the charge on the house.

The object of legal aid was to provide the means of achieving justice for those who could not otherwise afford it. It was a means of limited means. Yet the appellant, who had twice appealed successfully, and had ultimately been awarded the sole ownership of the matrimonial home, now emerged from litigation so costly that she could not afford to pay the costs of her own defence. The Law Society decided, as it was entitled to do, to enforce its statutory charge, she would no longer have been able to defend herself and her children to live in.

His Lordship was attracted by the Royal Commission's recommendation (Vol. 1, 13) that the matrimonial home should not again be freed from any charge if that was done, that reform should be radical. The Registrar for example, had treated as an arbitrator whose decision on a section 23-24 application would be final subject to a case stated on a point of law. His Lordship proposed with the parties before making up his order.

There would be three advantages: (1) a saving in time and costs important to the legal aid fund; (2) adjudication by a group of experienced judges; (3) a decision which would soon establish a predictable pattern and thereby conduce to settlement between the parties. The Law Society would be able to take account of the facts of the case. Solicitors: Whitehouse, Gilchrist & Alton; Mr P. L. Owen.

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Newfoundland to haul down the Union Jack

Ottawa, May 1.—The Union Jack, which has been hailed by dozens of former British colonies, is about to be scrapped in Newfoundland.

Formerly a British colony, Newfoundland retained the Union Jack as its flag after it joined the Canadian Confederation in 1949 and became Canada's tenth province. Now the province plans to have its own flag, and the provincial Government has unveiled its proposal to the Legislature.

The new flag consists of three blue triangles on the left side, like a stylized half of the Union Jack, and two red triangles and a yellow arrow on the right on a white field.

The change must be debated and legislation passed before the flag is adopted. But already the design is arousing some praise—and some hostility from traditionalists like the president of the Newfoundland Royal Canadian Legion, Mr Gordon Collins, who said it was "a slap in the face" for armed forces veterans.

—Reuters.

Kenya warned of action against illegal strikes

Nairobi, May 1

Kenya was urged today to take action against illegal strikes, the International Labour Organisation (ILO) said.

The ILO, which has a long-standing interest in Kenya's labour relations, said that the country's labour laws were being violated by employers and workers alike.

The ILO urged the Kenyan Government to take action against illegal strikes, which it said were causing economic hardship and social unrest.

The ILO also urged employers to comply with the law and to treat their workers fairly.

—Reuters.

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OVERSEAS

Mr Kennedy cites his Senate record to court minority group votes in Texas primary

From David Cross
Houston, May 1

With the American economy entering a recession, Senator Edward Kennedy is concentrating his final efforts to secure the Democratic presidential nomination on the votes of those most affected by rising prices and unemployment.

Here in Texas, where primaries will be held on Saturday, he has aimed his limited resources at courting the two minority groups—Latin Americans and blacks—who comprise almost a third of the state's 12.5 million population. "Quite frankly," he told a radio interview this week in Houston, "I think I deserve their support."

He said that not only had he long fought in the Senate for minority rights but he had also been a strong supporter of bilingual education—a necessity here.

Later, at a rally outside the city hall, he concentrated his attack on President Carter for reductions in educational grants and health programmes for the elderly. His media-hungry captives listened rather than the enthusiasm that characterized earlier meetings in the predominantly Mexican-American cities of San Antonio and Corpus Christi, where he was mobbed by enthusiastic supporters.

Mr Kennedy's main problem has been President Carter's success in lining up the support of most minority leaders in the state. With the assistance of such powerful Texas Democrats

as Mr Robert Strauss, his campaign manager, and Mr John White, chairman of the Democratic National Committee, Mr Carter has used the powers of his office to ingratiate himself with Mexican-Americans, in particular.

On the day that Senator Kennedy was campaigning this week, for example, Mr Julian Nava, a California Mexican extraction, arrived in Mexico City to take up his new post as United States Ambassador. Television coverage showing almost a third of the state's 12.5 million population. "Quite frankly," he told a radio interview this week in Houston, "I think I deserve their support."

Nevertheless, President Carter will probably not win Sunday's primary, especially as he would probably have done had he abandoned his "rose garden" strategy earlier.

The latest public opinion poll shows that Mr Kennedy leads Senator Kennedy by 69 per cent to 22 per cent among

Texas Democrats. The survey was, however, conducted before the Iran rescue mission and Senator Kennedy's final push for votes and Mr Carter's margin of victory could be considerably slimmer.

That was the theme that Mrs Rosalynn Carter pressed when she visited Houston yesterday to campaign for her husband. At a press conference she predicted, however, that he would be returned to the White House for a second term because "the hard and often unpopular decisions he has had to make will be successful in the long run."

Predictions of the outcome of the Democratic primary here are particularly difficult because of its complexity. First, both the Democratic and Republican primaries are open, which means that the electorate can choose at the last minute whether to vote for a Democratic or Republican candidate.

Second, the Democratic vote is in two stages. Texas who want to vote for President Carter or Senator Kennedy must go to the polls twice, once in the day to cast their votes in a non-binding preference contest, and again the same evening to vote for the 152 delegates who will represent the state at the Democratic national convention.

The media will concentrate on the "beauty contest" in assessing which candidate has won but finally it will be the delegate contest that will have most significance, although the full results of that contest will not be known until next week.

Congressional friends are pinning their hopes on economic recovery

President Carter is about to reach the nadir of his fortunes with his foreign policy in ruins

From Patrick Brogan
Washington, May 1

Miss Meg Greenfield, the editor of *The Washington Post's* editorial page, in a column published in the latest issue of *Newsweek*, remarks that the present surge of support for President Carter cannot last and "I wouldn't be surprised if this whole affair didn't finally do him in."

It is almost a throw-away line in a long article. Mr Carter is about to reach the nadir of his fortunes. He will scrape home to the Democratic convention in August, bloodied and considerably bowed, with a bare majority of the delegates, his foreign policy in ruins, his economic policy in ruins and, in all probability, the hostages still in Iran.

He will be in a far worse state than President Ford was in, in 1976. Mr Ford staged a remarkable comeback, rose sharply in the popularity polls and nearly won the election. But it is a far worse state than President Ford was in, in 1976. Mr Ford staged a remarkable comeback, rose sharply in the popularity polls and nearly won the election.

Mr Carter's best hope for recovery was the rescue of the hostages. It would be unjust to suggest, though there are plenty of people around who do so, that it was attempted to save the President in the polls, but there can really be no doubt that a successful rescue would have restored him completely to the popularity and confidence he enjoyed in January.

The operation went there is "successful". Mr Cyrus Vance is reported to have feared that

if the hostages had been rescued, the Iranians would have promptly arrested all Americans in Iran, including reporters, and held them hostage instead. The Bank-Sadr Government might not have survived and whatever its insufficiencies it is clearly preferable from a Western point of view, to a government headed by Muslim fanatics like those who showed off fragments of dismembered American bodies on television on Sunday.

Such a change of government would be even more likely to result from a more substantial military intervention, such as a

blockade or the occupation of the Iranian oil fields. This is why the European allies are so insistent that Mr Carter must now wait, for however long it takes, and eschew violence.

Senator Edmund Muskie, when he takes over as Secretary of State, may be able to give a policy of patience and diplomacy a chance, and may even be able to persuade the American people that it is the right policy. First of all, however, he will have to persuade the President, and at the moment, Mr Carter is still

breathing fire and seems to prefer the fulminations of Dr Zbigniew Brzezinski, his National Security Adviser, to the cautious advice from the State Department.

Mr Carter's friends in Congress, most notably Mr Tip O'Neill, the Speaker of the House, are pinning their hopes on economic recovery. They deny stoutly that the President's economic policy is in ruins, they believe that inflation will be brought under control by the summer (Mr O'Neill even claims that there will be a "negative inflation rate" in August) and that a grateful American people will reflect Mr Carter for playing the dragon at home, even though he has failed to cope with the one in Qom.

Mr O'Neill's comments, it is true, were made before the failure of the rescue attempt. Like everyone else, or nearly everyone else, in Congress, he has rallied round the President.

The period of legislative solidarity is not going to last, and Mr Henry Kissinger, an influential Congressman and chairman of the House banking committee, has already suggested that Mr Carter should step aside.

He supports Senator Edward Kennedy, and is therefore prejudiced.

Mr Carter does not seem to be the sort of man who would bow to any such suggestion. He wants to be re-elected and believes that he can overcome the odds again, as he did to

Lenin Prize awarded to President Kekkonen

From Michael Sinyon
Moscow, May 1

President Urho Kekkonen of Finland has been awarded the International Lenin Peace Prize, the highest Soviet decoration for foreigners, it was announced in Moscow today.

A telegram of congratulation from President Brezhnev and Mr Kosygin, the Prime Minister, said his activity over many years in broadening understanding and cooperation among nations and in consolidating peace and international security was highly valued in the Soviet Union.

The telegram cited in particular the role Finland and its president, who is 79, played in organizing the Helsinki Conference on Security and Cooperation in Europe, and developing détente on the Continent.

The Soviet leaders said the "Pazhivi-Kekkonen line" advocating strong friendship between Finland and the Soviet Union enjoyed well-deserved prestige in the world. The policy of peaceful co-existence of states with different social systems was vividly reflected in Soviet-Finnish relations.

The Russians have particularly appreciated Finland's refusal this year openly to condemn Soviet intervention in Afghanistan.

President Kekkonen received his prize together with a French and a Venezuelan writer, an Egyptian opponent of President Sadat, and Mr Le Duan, the general secretary of the Vietnamese Communist Party.



Mr. "Tip" O'Neill: Rallying round the President.

win the presidency in the first place.

He may hope that Mr Reagan will do or say something foolish. The way Democrats put it among themselves is that Mr Reagan may reveal himself in his true colours to the American people who will recoil, appalled, into the arms of the President.

The evidence is against them. Mr Reagan has always sailed under his true colours, and the American electorate so far this year has approved mightily. The only region in which he has not done well has been industrial New England and the mid-Atlantic states.

South Africa transferring more powers to Namibia

From Nicholas Ashford
Johannesburg, May 1

Mr Pieter Botha, the Prime Minister, today made clear South Africa's intention to go ahead with plans to grant some executive powers to a new body to be established by the Namibia (South-West Africa) National Assembly, which has only limited legislative powers. The new body will be given some control over defence.

Mr Botha, who is also Minister of Defence, said in Parliament today that South Africa was prepared to hand over a large slice of the Administration of Namibia, including elements of the security forces, to "a body that could govern the territory."

He said a body had to be set up in Windhoek which was capable of governing the country. Such an organization would play a prominent role in the defence of Namibia, a function which the military could not be responsible for on its own. He said South Africa was prepared to transfer the Namibian forces which had been trained by South Africa and place them under the authority of the new governing body.

All executive powers in Namibia are in the hands of Professor Gerrit Viljoen, the territory's Administrator-General, whose role is similar to that played by Lord Soames during the transitional period in Zimbabwe. The National

Assembly, which comprises 50 members, most of whom belong to the multi-ethnic Democratic Turnhalle Alliance, plays a largely advisory role. An announcement today will be seen at the United Nations as a further indication that South Africa is planning its own style of "UDI" in Namibia rather than go along with the United Nations settlement plan which has been gathering dust for almost two years. However, South Africa has consistently denied that it was contemplating a UDI.

Later this month South Africa is expected to give its reply to a United Nations proposal to establish a demilitarized zone along the border between Namibia and Angola, an area where an increasingly bloody bush war is taking place between guerrillas belonging to the South West Africa People's Organisation (SWAPO) and the South African Defence Force.

Mr Botha also announced today that South Africa has developed its own artillery missile system which, he said, is designed to counter Soviet rocket systems. It is understood the South African weapon is a 127mm multiple rocket-launcher system similar to the Soviet "Stalin's organ". During the South African invasion of Angola in 1975, it was found that the South African forces had no weapon to match the "Stalin's organs" being used by the Cuban troops.

Eskimos preparing to fight for their rights in Quebec

From Anne Penketh
Montreal, May 1

Quebec's Inuit-Eskimo population will be holding its own referendum on May 14, one week before the Quebec government's referendum on sovereignty, a referendum which the Inuit call "a matter for Inuit."

The Makivik Corporation, formed to represent the interests of the Inuit, will ask them for authority to negotiate constitutional rights with both the federal and provincial governments.

Mr Charles Watt, Makivik's president, explained that while the Inuit wished to keep their separate identity they still feel attached to Canada. "We don't want to be represented by the government of Quebec. We want to represent ourselves. We are Inuit but we are also Canadians. The people here don't want to separate."

Quebec's Inuit population is equally concerned by the implications of the referendum on May 20 and consequently a majority of the 35,000 Indians

will not be voting. Like the Inuit, the Indians feel that the referendum is a matter for Quebecers.

Mr Andrew Delisle, the president of the Federation of Indians of Quebec—representing 10,000 Huron, Mohawk and Algonquin Indians—is adamant that his people should remain separate.

Our nation was never abolished. We belong to the Mohawk nation and we can't belong to Canada and the Mohawks. That's how nationalistic we are.

At present the Indians enjoy a special status in Canada. They pay no taxes and receive an allowance from the federal Government as long as they do not stray from their reservations. There is a fear that this special status might be threatened if they voted in the referendum.

It is clear that, whatever the outcome of the referendum, it will make very little difference to the native people of Quebec. Discussions of their rights and demands will continue unabated

Increasing American use of island base confirmed

By George Clark
Political Correspondent

Mrs Thatcher confirmed in a letter to three Labour MPs yesterday that since the worsening of the Middle East crisis the British island base of Diego Garcia in the Indian Ocean has been increasingly used as a staging base for American air and naval forces.

She was replying to a request for information sent on Tuesday by Mr Eric Heffer, MP for Liverpool, Walton, Miss Joan Lester, MP for Eton and Slough, who are members of the party's national executive, and Mr Tam Dalyell, MP for West Lothian.

Ms Thatcher replied: "Since the crisis began to worsen over five months ago, the United States considerably reinforced its military presence in the Indian Ocean and Arabian Sea. As a consequence, there has been a very large number of movements of United States ships and aircraft of many

types to and from Diego Garcia. These movements have involved regular use of the refuelling, anchorage and airfield facilities there. The United States naval task forces in the area have, for example, been regularly supplied with stores, equipment and spares.

This high level of movement continued through the period of immediately before the United States attempt to rescue their hostages in Iran and thereafter."

The Labour MPs regard this passage as being of great importance. It does not confirm that the jointly-run base was actually used by the American rescue force but only that the high level of activity continued right through the crucial period.

Mrs Thatcher also pointed out that, in accordance with the terms of the 1976 agreement on the support facility in Diego Garcia, the United States commanding officer had kept the officer-in-charge of the British element on the island informed

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FOREIGN REPORT

Jamaica on the brink

Mr Manley stays cool in spite of economic crisis

Kingston, May 1

Mr Michael Manley, the Prime Minister of Jamaica, shares with his country a resilience which both need in abundance if they are to stay afloat.

Jamaicans have, for the most part, managed to keep surprisingly philosophical amid severe food shortages, inflation and unemployment. The difficulties have even given rise to a clutch of plays, songs and satirical reviews which mock them.

Equally, Mr Manley, still not showing his 55 years, remains collected and confident in the face of the deepening political and economic dangers threatening him and Jamaica. He still believes, against the evidence of the opinion polls, that he can lead his People's National Party to victory at the election due in late summer.

"It will be a tough struggle," he conceded in an interview, "but we can win it with hard work, and if we explain to the people how to distinguish between those problems that you can blame the Government for and those which are a result of developments on the international scene."

He called the election after Jamaica's latest drawn-out arrangement with the International Monetary Fund was cancelled owing to failure to pass one of the periodic tests. "The country needs to argue over the question of basic economic policy and take a decision," he said.

The decision which Mr Manley and his Cabinet took soon after calling the election was to break off negotiations for a new IMF arrangement. The terms of the Fund was seeking to impose would have meant cuts in social services and the dismissal of about 10,000 government workers.

His experience with the IMF has left him questioning the methods make it a suitable instrument for helping developing countries.

"I don't think we would do it again," he said. "The IMF prescription for an economy that is out of balance is really

predicated upon the experience and the possibilities of developed economies.

"They try to impose in a short period of time a form of economic medicine really designed for a type of economy markedly different from a Third World economy. It is based on the assumption that you have a fully developed productive capacity already in place."

The medicine is to introduce inflation to control internal demand and to devalue the currency to make exports competitive. "This involves a sudden sharp drop in the standard of living but in a year or so everything is fine."

Jamaica, while suffering the bad effects of this medicine, did not have the productive capacity to take advantage of export opportunities. The importation of new productive capacity would have been impossible because of the enforced devaluation.

Moreover, developed countries obliged to take such a course have social welfare systems which can alleviate the inevitable consequent hardship. "You can't look back at any IMF programme in a developing country which says it has been a success," Mr Manley said.

"The medicine can't get the patient better in a year or so... in other words, the economy isn't powerful enough to respond to the carrot and stick of the IMF within a foreseeable period of time, and meanwhile you have put the people through a heavy social catastrophe and acute suffering."

"The IMF will be a source of complete economic disaster in the Third World unless it has a look at itself."

A further problem is the IMF rule that limits the amount of foreign exchange lent to countries in trouble. If Jamaica could have had \$150m (£70m) at the beginning of the agreement, it would have been able to buy the raw materials needed by its agricultural indus-

try, the programme could have achieved a flying start.

As it was, they could draw only \$50m and had to try to raise extra from commercial banks, which proved difficult. "The commercial banking system is not an umbrella for bad weather," Mr Manley said. "I prefer to call it a parasol for the good weather."

If you see Jamaica and strike oil, everybody wants to lend you money. If we had struck oil at any time during the second terrible IMF programme, we would have got all the loans we needed.

His final objection to the IMF is its practice of cancelling foreign exchange facilities as soon as one test is failed. "It is an outrageous concept," he said. "As soon as you halt the drawing you send the economy into a tail-spin. It is an act of almost calculated brutality."

Mr Manley is not sure whether the fact that Jamaica has embraced a socialist (even if only moderately so) path of development led the IMF to pick on it as an example to others. In any event, he would like to see new institutions formed to provide Third World countries with the foreign exchange they need.

The Opposition, Mr Edward Seaga's Jamaica Labour Party, is convinced that the advocacy of socialism has deterred many companies and governments from investing in Jamaica. This view was strengthened by a speech last week from the United States Ambassador in Guyana who said that countries which did not welcome private enterprise could not expect as much help from the United States as those which did.

Mr Manley was surprised by that speech. "It is not for me to tell another country what to do," he said. "But I can only say I think it is shortsighted."

"The test should be whether a society is democratic, whether it responds to the wishes of its people and whether it is trying to represent the interests of the people."

"Any policy that makes the

kind of test that separates a Plocheet from a Mexico, a Jamaica, an India, a Venezuela, a Barbados—that favours a South Africa over these countries—that is how you make the test it is difficult to understand the thinking behind that process."

Mr Manley has no intention of modifying his commitment to the IMF and the new international economic order (NIEO) to appease potential investors. "There is no hope for the Third World in the long run if we don't make the changes we struggle for in the NIEO and we are supported in this by the Brandt Commission."

He is encouraged by the fact that Mr Edward Heath, a member of the Brandt Commission whom he calls "the finest kind of Conservative", can, when out of office, look at the issue dispassionately and subscribe to a report which supports much of what Mr Manley and other Third World leaders have been advocating for years.

"It shows that we are not just a bunch of people spouting oratory and rhetoric," he said. "Though he hopes that his party will win the election, he is willing to discuss the prospect of defeat and what will happen to him afterwards. 'I would try to discover the party's genuine feelings,' he said. 'I would like to see if they are not just a bunch of people spouting oratory and rhetoric.'"

His magnetism makes him a potent electoral asset and it is unlikely that he would be asked to step down if he were, if asked, would he be available for an international post, where he could pursue his campaign for the NIEO?

"I would be surprised if the struggle could be assisted much from an international position," he said. "It has to be worked for by individual nations."

"And would a change in the rules of the IMF be a part of the NIEO?"

"Definitely,"

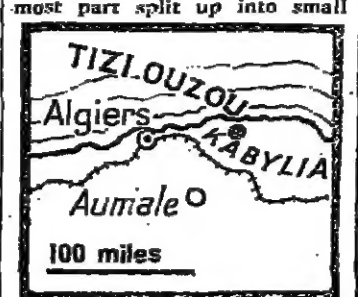
Michael Leapman

Algeria's future threatened by past

A worried President Bendjedid Chadli of Algeria will sit down next Tuesday to study a report on an ancient minority language and folklore. He will not, however, be seeking a cultural break from the pressures of government. He will be wrestling with a problem which, he believes, not only threatens his rule but might result in the total collapse of the already seriously troubled north-western corner of Africa.

The language and folklore are those of the Berber people. The language is one of the oldest and smallest in the world—old because it was in use over 3,000 years before the birth of Christ; small because it comprises only 3,500 words, giving a total vocabulary of scarcely 20,000 words.

It is small today, too, because only about eight million people in the world use it as an everyday language. They are for the most part split up into small



groups living in the mountain and desert strongholds of North Africa to which their ancestors retreated in the face of numerous invasions.

A large proportion of these Berbers live in Algeria, a group of about 10 million of the country's total population of 18 million. Their chief town is Tizi Ouzou in the mountain fastness of the Kabylies, less than 100 miles from Algiers.

Toward the end of last month the town was sealed off by the Algerian authorities when violent rioting broke out there. Shops were ransacked, cars burned and, according to unconfirmed reports, up to 30 people were killed.

The violence arose out of attempts by police to evict students from the town university. They had been occupying the buildings for a fortnight to claim recognition for the language and cultural heritage of the Berbers. The local support they appeared to be enjoying was increasingly embarrassing to the Government.

The Berbers have felt their culture to be under increasing attack in recent years. The chair in Berber at the University of Algiers was withdrawn in 1973. A folklore group formed by members of the Tizi Ouzou Football Club was unceremoniously broken up in 1974. The Berbers' language and culture were also being used by the Algerian Government to cement ties with the Arab world.

While Berbers felt their language was being suppressed, the Government was cementing ties with the Arab world. The Berbers' language and culture were also being used by the Algerian Government to cement ties with the Arab world.

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Ian Murray

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PARLIAMENT, May 1, 1980

'Transfer fee of £1.8m brings American investment banker to head of steel corporation'

House of Commons

Amid interruptions and laughter from the Opposition benches, Sir Keith Joseph, Secretary of State for Industry, announced the appointment as chairman of British Steel Corporation of Mr Ian MacGregor, who has a partnership in a New York-based investment bank which will receive payments to compensate them for losing Mr MacGregor's services.

Mr John Silkin, chief Opposition spokesman on industry, described the statement as "staggering".

They were talking, he said, about a transfer fee of nearly £2m.

Sir Keith Joseph agreed and retorted: "I am not talking about a transfer fee. I am talking about the bigger the transfer fee, the better the player."

Sir Keith Joseph said: Sir Charles Villiers, whose term of office ends in September, has tackled the difficult task of adapting BSC to changing market conditions with energy and dedication. I am glad to pay tribute to his work and to express my appreciation of it.

As his successor, I have appointed Mr Ian MacGregor, who I know from his BSC board as a part-time deputy chairman. Sir Charles Villiers and I are agreed that, now that a successor has been appointed, it is time to say goodbye to Sir Charles.

Mr MacGregor was born in Scotland but has spent most of his working life in America where he has had an outstandingly successful business career. He was

chief executive of AMAX, the metals and natural resources company, from 1966 to 1977 and remained on that board. He has many other accomplishments, including deputy chairman of BL, director of the LTV corporation, a large steel producer, and a partnership in Lazard Freres and Company, a New York-based investment bank.

I believe that we have found a man with the qualities needed to lead BSC out of its present difficulties. Mr MacGregor's personal salary will be paid by BSC at the appropriate rate based on the recommendations of the review body on top salaries—currently £45,000 a year.

Mr MacGregor has commitments as a senior partner to Lazard Freres, but they have agreed to release him for certain financial conditions. These conditions comprise two elements: the first is a payment to Lazard Freres of £100,000 for the three years of the appointment, two thirds of which will be repayable in the form of shares in BSC over three years; the second involves payments, again to Lazard Freres, in the range of £1,150,000, linked to the performance of BSC under Mr MacGregor's chairmanship.

These performance payments were made in 1974 and 1975 and would be related to certain performance criteria to be agreed between the Department of Industry and Lazard. The level of the performance payments will be assessed by a performance review committee, comprising two persons nominated by me, two persons by

Lazard, with an independent chairman acceptable to both.

During the period of his appointment, Mr MacGregor will cease to be an active partner in Lazard Freres but will become a limited partner with a reduced interest in the firm. On taking the post of chairman of BSC he will relinquish most of his current directorships, including that of BL, but I have agreed that he should continue his long standing links with AMAX.

I should make it clear that the payments to Lazard Freres which I have described are not for payment, in whole or in part, to Mr MacGregor. They are so far as they go a contribution to Lazard Freres' profits, in which he remains a small shareholder. His purpose is to compensate Lazard Freres for losing the business services of Mr MacGregor. I should also emphasize that they are substantially conditional on his serving for the full three years and achieving results.

We have been prepared to secure the release of Mr MacGregor because he is a man of his calibre to be chairman of BSC reflects our belief that the current problems can be solved, the corporation restored to profitability as an efficient producer of steel and become a secure employer.

For the Government to set financial targets is not enough; we must also seek to appoint people capable of achieving those targets. In appointing Mr MacGregor, that is what I believe that I have done.

Mr MacGregor will be a difficult task at BSC.

limited partner in the partnership's profits.

The cost of the transfer payment will not fall on the BSC but on my department or on the Exchequer.

Certainly, it will fall on the taxpayer but the bulk will only be paid according to performance.

The performance review committee, which will include not only the financial performance but other matters like strength of management, stability of industrial relations, success in the export market and productivity.

Mr Silkin—What is the authority for this payment? Does he believe that the relationship between BSC and Lazard Freres is going to be improved by a man whose first statement is that he is going to make on a trade union leader with whom he will have to work closely?

The authority is the agreement of my colleagues on action which is within my power. I am sure that what is at stake is the character of the industry.

Mr David Steel, Leader of the Liberal Party (Roxburgh, Selkirk and Peebles, 1-), is a thousand miles away from the industrial relations of the steel industry. He should be concerned by the financial nature of the arrangements that are being made. He should be concerned by the setting up of a mini-committee to decide precisely what those arrangements are.

He has stopped to think what the effect will be on the climate of pay negotiations of arrangements of this kind?

Sir Keith Joseph—I would have thought that the House would appreciate the importance of getting the best man for this job. All that has not been agreed is the criteria by which the payment by the taxpayer for performance will be paid.

The taxpayer's money is not to be paid except as performance justifies it.

Mr Jonathan Aitken (Thames, East, C)—However excellent the qualifications of Mr MacGregor may be, the complexity of the deal with Lazard Freres is so open to misunderstanding and ridicule that many of us will have to spend a great deal of time in supporting him on this.

Sir Keith Joseph—I am disappointed that he should take this view. The deal with Lazard Freres is a man concerned—as there is in this case because he is subject to a partnership agreement if he wants to leave, he has to get the conditions imposed by his partners.

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Mrs Thatcher proud of the Government's first year

There were noisy exchanges at Prime Minister's question time

Mrs Thatcher said that the fact she was proud of her Government's record during its first year of office.

The exchanges about Mrs Thatcher's first year of office as Prime Minister began when Mr Michael Foot, Deputy Leader of the Opposition (Edinburgh, Vale, Lab), asked if she had read the "unpleasant May Day issue of the Daily Mirror".

Has she given an instruction already (he added) that it should be read by all members of her Cabinet, was or dry? (Laughter.)

Mrs Thatcher—I have glanced at the Daily Mirror. I noted in it a picture of shoes with legs at a school in the Wirral for the children to wear. I made inquiries. There has been no change in the picture. I am sure that the election. (Conservative laughter and cheers.)

Sir Paul Bryan (Hove, C)—As the right hon. lady placed at the Daily Mirror would the look more carefully at The Sun, which revealed that 85 per cent of the population and 75 per cent of

trade unionists were against the strike on May 14?

Mrs Thatcher—I did see that. It shows enormous common sense on the part of those being called upon for a day of action.

Mrs Thatcher (Roxburgh, Lab)—As a wife and a mother who only glances at the Daily Mirror from time to time, is she proud of the fact that she has changed the old-age pensioner by introducing the 54-week year in the current session?

Is she proud of having punished schoolchildren by pushing the price of school meals through the roof?

Is she proud that she is seeking remedy upon the miners by removing state liability from the pneumoconiosis schemes and the voluntary pension scheme?

Is she proud that at the general election she led a party that peddled a pack of lies? (Laughter.)

Mrs Thatcher—I rather thought that under a Tory Government, according to reports, some miners were receiving some £3,000 a year. (Conservative cheers.)

I am proud of the Government's record during the last year.

Mrs Thatcher—I was right, this

I am proud of the fact that the married pension has gone up 12.5 per cent.

I am proud of the fact that the disabled will have been helped by a 4.5 per cent increase in mobility allowance.

I am proud that next year two million needy people will have received help with their fuel bills, 20,000 more in real terms than the last year of the previous Government.

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A psychiatrist on the tension that affects siege captors and captives

Stress: making friends of enemies

The public remains sometimes bewildered by the behaviour of captors and captives when both are submitted to long periods of intense nervous stress. That is because few people seem to be aware of the predictable response of the human and animal brain to such stresses. The Second World War provided a multitude of examples of the nervous system of normally brave soldiers breaking under the strain of the war. The patterns emerging were markedly different from the patterns of the same people in normal circumstances.

The brain is a mechanical computer obeying mechanical laws. Put under stress, it may start by showing extreme excitement, but this is generally followed by a progressive inhibition of the brain activity. First there is a "hysteroid" phase when the individual's computer becomes so disturbed that he starts to believe statements, whether true or not,

which he would normally have questioned when in a rational state. Critical faculties are suspended and absurdities can become firmly held viewpoints. The "ultraparadoxical" phase of brain activity supervening later is even more disturbing, because then positive condition behaviour becomes negative and vice versa. The individual's response to situations is quite opposite to the way he would normally respond. His enemies, for instance, become his friends and his friends enemies. He would be the last thing he would do in his right mind.

It is essential in dealing with hostage situations to keep an amount of excitatory pressure on the captors but to avoid taking violent action producing an excessive state of excitement so that it could lead to the death of the captives. But if tension is continued and communication maintained with the captors, they themselves will also become susceptible and perhaps behave ultraparadoxically by doing the opposite to what they intended and surrender. That happened in two previous London sieges where this policy was sensibly pursued by the police. But it can take many days of stressful waiting while constantly telling the captors they are surrounded and their situation is hopeless before success is achieved.

What are the effects of stress on the captives? The "hysteroid" and "ultraparadoxical" stages of brain activity result in the extraordinary picture to the uninitiated of the captives starting to become sympathetic and friendly with their captors and even adopting their viewpoint. A captive of the five-day Spanish "Euzko" siege in Knightsbridge in 1975 visited and comforted his captor when the latter was afterwards imprisoned. It is bound to happen, for instance, that quite a number of the American captives in Tehran will start to sympathize

From September, Mr Ian MacGregor will be chairman of British Steel. He succeeds Sir Charles Villiers, who offers this parting advice.



Sir Charles Villiers and Mr Ian MacGregor: a realistic future

Dear Ian MacGregor: You will find the British Steel Corporation in the midst of a deliberately hard, strong, radical action to prepare for the new conditions of the eighties. The adjustment, during which 10 major iron and steel works have been closed and the numbers employed will have fallen by about 70,000 in the three years since September, 1977, is difficult but essential. It is not popular, but it is moving BSC towards a realistic future. The steel industry is a commercial business which can survive with fierce competition. The United Kingdom, like France and Italy, is in the middle of a sandwich between industrial superpowers, Germany and Japan, and the new, up and coming, such as Brazil, Korea and Spain. This is uncomfortable for steel. It raises the question of survival, because, squeezed between the most advanced and the lowest cost producers, BSC could become irrelevant. And without change the cost in the nation of BSC—losses, investment, working capital—could run at up to £1,000,000,000 a year; this would not happen for long. The job is to make the International Steel Conference to which I spoke three years ago, I said: "We cannot make a successful steel industry in this country structured as we are now. If we go on like this there is only one way we can go and that is down." A year later I told the same conference: "Unless we improve performance and become competitive in every way, the future of bulk steel-making in this country is in grave doubt and jeopardy. If we go down it will be our fault: it is not too late, but we must get on with it."

Stay strong in the market place

Each year has seen a further twist of the economic screw. In autumn 1977 emerged the full horror of world overcapacity in steel (about 100 megatonnes). Mr Job was to persuade the Labour government to turn round by 1980 to meet the steel policy of its manifesto: hence the March 1978 White Paper, "The Road to Viability", which set out the instructions which are still valid. "Being capacity driven" has been the demand and the steel industry has been forced to close down its plants. The response in BSC has been even greater urgency for change. Many nationalized industries can put up prices—multipliers. For steel this would be suicide.

To exert pressure to adapt I advised the board just two years ago, to set as an objective the achievement of breaking even by March 1980: to tighten up performance and focus attention on cash and the elimination of loss. It forced BSC to press on with bringing capacity down into line with demand, and cutting out overmanning. Faced with worsening economic conditions in 1979 the "safe" course would, perhaps, have been to abandon the objective of break-even. We could have cited continuing losses in steel in France, Belgium and Italy. We could have asked the British taxpayer to subsidize over capacity, loss-making exports and BSC's less than average performance and manning. But we did not.

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The terrorists who beat the system

Two years ago the main threat confronting Scotland Yard was of a renewed Provisional IRA attack on mainland Britain. There was no licence to suggest that London might become a battlefield for the scimitar, violent emotions of the Middle East, but there were few serious incidents. Since the beginning of 1978, however, that intelligence has become reality with more fatalities from Middle East terrorism than from the IRA. Since 1978, seven people have died as a result of violence generated thousands of miles away from the streets of London.

The first to die was Mr Said Hamani, European organizer for the Palestine Liberation Organisation, who was shot in his office close to Oxford Street, Unprepared Scotland Yard even thought at first that the dead man was Shaikh Yaman, the Saudi Arabian oil minister. As the hunt for the assassin started, detectives began to realize that, with

a thousand Arabs visiting London every three days, with many established refugee communities, and with the end of the world of Arab politics, Hamani might not be the only casualty. Six months later their suspicions were confirmed with the death of a former Jordanian Prime Minister, General Abdul Razzaq al-Nair, died in June, 1978. A month later an unsuccessful grenade assault was launched on the Iraqi Embassy. Eleven Iraqi diplomats and businessmen for the most part, were expelled during that period. The violence continued in August, when an Eilat stay-at-home and a terrorist died in an attack on an Israeli airline bus. There was a lull until January this year, when violence began again with the death of a Bahraini student in a bomb explosion in a West End hotel. The pace quickened three weeks ago with the death of Mr Muhammad Ramez, a Libyan journalist, and last

Friday, a few hundred yards from the Iranian Embassy, Mr Mahmoud Abu Nafa, a Libyan lawyer, was also shot dead. Although many of the attackers have been caught and convicted, the reaction of the police has done nothing to stem the entry of violent Arab ideologues who can successfully blend into the large Arab community that has grown up in London since the evacuation of Beirut, once the pleasure resort of the Middle East. The first line of defence lies at ports and airports, where Special Branch has to sift through millions of tourists and businessmen each year. It has the use of a special intelligence register, which lists check suspicious arrivals, but, although approximately 40,000 checks are made each year the system cannot be perfect. If the visitors have diplomatic status, they and their offices become the responsibility of the diplomatic protection group. Police Constable

Stewart Tendler Crime Correspondent

Geoffrey Smith

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How close are we to an exit from Europe?

How far has Mrs Thatcher's method of negotiation over the European budget strengthened or weakened the prospect of Britain remaining indefinitely a member of the Community? It has certainly raised the hopes of those who favour withdrawal. They have seen a southerner in the country is running in their direction. A Gallup poll published in The Sunday Telegraph on April 20 found a two to one majority for leaving the Community. In the Commons these days there is a new assurance among the anti-marketiers on both sides of the House. They believe that there is a tide of events that is inexorably drawing Britain away from the EEC. At the time of the vote of conviction is evident among those who still believe in British membership. They have not changed their views, but they have less confidence in them.

Mrs Thatcher is not seeking to strengthen the anti-Community cause. When she reported to the House of Commons on Tuesday on the outcome of the Luxembourg meeting she went out of her way a number of times to assert her belief in the continued value of British membership. What she has been doing in domestic political terms is to respond to anti-EEC sentiment in the country by parading her determination to fight for British interests in Europe. The effect is to raise the stakes. If she can secure an agreement that accords reasonably closely with her demands then she will be able to assuage the fears of the British public all the more effectively for having dramatized the issue. She will then be in a position to argue that it is possible to remain in the Community without sacrificing Britain's material interests. That Britain's just demands have been met and that the new consensus is much more favourable to Britain than the effects of membership will be far more beneficial in the future.

In those circumstances, her previous intransigence around the negotiating table would make her a more persuasive advocate for the Community in Britain. But her strategy is by its nature a high-risk one. There is no prospect of her obtaining everything that she demands, and she has to make requirements so dogmatically that it will be easy for her critics to point to the gap between her goal and her achievement. That will not matter if the gap turns out to be only a small one, but if it is significant she will have presented the anti-marketiers with a valuable weapon. The direct impact on public opinion may not be of great consequence. It is perfectly possible under the British system for governments to continue for years with policies which are not supported by public opinion. Capital punishment has not been in force in Britain for nearly 20 years, although throughout this time there would certainly have been a majority for it in any referendum.

What matters is whether public feeling on a particular issue is of such intensity as to force or induce one of the main parties to respond, either by adopting the policy outright or by putting the question to a referendum. An opinion poll is no measure of intensity of feeling, or indeed of its persistence. At the point one is bound to be in the realm of subjective assessments. British opinion on the EEC has varied a great deal over the years. At the time of the 1975 referendum it was much influenced by the fact that the leadership of the three principal political parties all favoured continued membership. Whether that would be equally influential in the future is hard to say, but perhaps more critical is whether the leadership of all three parties remain committed to British membership. So long as they are there is unlikely to be another referendum. British grumbling about the Community, and an undercurrent of dissatisfaction, may well continue for years. But if Mrs Thatcher finally brings back an agreement that she is prepared to commend to the British people it is improbable that this dissatisfaction will reach such a peak as to force any government either to withdraw or to hold a further referendum. Would any of the parties pursue such a course of their own volition? It is most unlikely that the Conservatives would. The Labour Government and the rest of the Community on a scale that one does not foresee. Anti-EEC sentiment is rising in the Conservative Party, but to nowhere near the level where it might force a change of policy. Liberals remain even more wholeheartedly committed to the Community. The question mark hangs over Labour. The risk that Mrs Thatcher is running is not with her own party, or even immediately with public opinion at large. It is rather that the anti-Community forces may have such an outcome, or

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Putting a few roubles on Cardiff

Suddenly it's summer. Spring in Russia never lasts long, this year it was practically nonexistent. And by the time Moscow city authorities realized it was time to turn off the central heating, the snow was already in the 70s and people sweltered with all the windows open and the heating full on indoors, radiators installed without regulating valves, unfortunately.

The sun has stimulated an unprecedented burst of activity to get the capital into shape for the Olympics. Virtually entire factories have been drafted to remove junk and debris that has been lying around for years. Buildings are being knocked down almost overnight to make room for road widening, trees and flowers are being planted and things have come alive on construction sites where all activity came to an unexplained stop many months ago.

But it was too nice to work all weekend and I decided, like thousands of other Moscovites, to spend a day at the races. I have rarely seen so many Russians having so much fun.

The Moscow Hippodrome is an extraordinary edifice, built in 1935, and looking on the outside like a bizarre imitation of a classical Greek building. The cream-coloured facade is topped with a spire and surrounded by statues of racing horses. The entrance is through a marble hall with a vaulted ceiling and the modern grand

MOSCOW RACING DIARY

standing is all columns with decorated capitals, painted ceilings, frescos of horses in Elysium.

In this classless society there are three classes of seating. For 30 kopecks (22 pence) you can go in the main stand with its wooden seats and high wooden railings. For the top price you can go into the emptier, smarter section. There is even an elaborate semi-circular "Royal" stand, against the glass windows (again of horses) and decorative canopies.

Inside the betting hall looks like a nineteenth century railway carriage, with women and bookies (the word in Russian is "bokmaker") sitting behind a wire grille.

It is all a bit shabby, worn down by countless crowds, and the attempt at grandeur is at odds with the eager, jostling, smoking, garlic-smelling rough-and-ready crowd.

Racing begins at 1.00 on Sunday afternoons. The first thing to do is to queue up to get a programme. The 20-page booklet lists all the horses for each race, with their names, times and placings in four previous outings to give an idea of form, and the names of the jockeys and their colours.

Actual racing is not really jockeys because on most days the events—winter and summer, snow or mud—are trotting races, with the jockeys being pulled along in little traps with two slender wheels. The flat racing season opens later on, and on one grey day in mid-March, the book of commencing the Grand National, the Derby and Ascot all rolled into one. But usually on the three racing days—Wednesday and Saturday evenings and Sunday—there is a programme, but managed to persuade one of the plump and friendly bookies to give us a hand. She explained the betting, how to give the forecast, picking the winning two horses. There is no place or show option, and the basic stake is a rouble.

You get a cardboard ticket, which is worked out before each race, and the payouts vary accordingly. But there was no way of finding out the odds, and people say the winnings are suspiciously uniform and never more than a few roubles.

There are all types at the races: actors, artists, rugged workers in rough clothes, the smart and fashionable sporting Olympic stars, and surreptitiously acquired animals and "John Player" special, or some other familiar western firm's name on the Olympic boxcar, medals on their chest, leather-jacketed youths, swarthy muscled fencers from the south, a few old women and the occasional blonde bombshell.

In the depths underneath the stands are more betting booths, beer bars (with polite notes saying the book of commencing the Grand National, the Derby and Ascot all rolled into one. But usually on the three racing days—Wednesday and Saturday evenings and Sunday—there is a programme, but managed to persuade one of the plump and friendly bookies to give us a hand. She explained the betting, how to give the forecast, picking the winning two horses. There is no place or show option, and the basic stake is a rouble.

washing streets in summer, had been round the course spraying the dusty track. It was a perfect sunny day, and the distance was a typical Moscow skyline: four of the Stalinque gothic skyscrapers, assorted blocks of high-rise flats and a few old factories.

In the field was a large banner, proclaiming a glory to work a large industrial unit, and a board that did not work, a few boards of sand and two clocks, one stopped at 12.00 and the other at 2.00. The finishing post, marked "finish", was opposite the most expensive part of the stand.

The horses and traps lined up behind a truck carrying a gate that stretched out across the track. The truck led them trotting down to the start and then sped on ahead, drawing in the folding gate like wings and then turning off the course as the horses, raced on round.

People cheered their favourite. Cardiff was exact to be number one, but there seemed to be three other horses also marked number one which was confusing. The commentator seemed more in tune with this western counterpart, but Cardiff was clearly in the lead. In the smart stands the enthusiasts were looking through binoculars, a few were squinting down telescopes.

They trotted round once, and Cardiff won. I pushed back through the throng to my friendly bookie to claim some money. She explained that I hadn't understood the system. Kashma came in fourth instead of second. "But I wish you'd won," she said kindly, as she took my money for the next race.

They went round again. The jockeys in their coloured plant, helmets and striped jackets, a horse galloping high with a few lagsards breaking into a legal gallop as the jockeys restrained them (a notice in the programme announced that there would be no pay-outs on any horse that galloped). Unfortunately, Diagonale and Kashma came in second and third instead of first and second. M. Betting ticket joined the thousands of others littering the ground.

Russians have a passion for gambling. Perhaps that's why it is so carefully controlled. There have been scandals from time to time in the past, the jockeys fixed the races. I know of one man who used to play large sums with illegal private bookies (who operate with few winks and nods). He even gave in his internal passport and his party membership card as guarantees when his request for credit was denied. In the end he literally laid his suit on a horse track and then, in mid-winter, caught pneumonia and died.

From time to time the Soviet authorities have twinges of conscience that horse racing isn't really quite the done thing for good communists. There was considerable debate over the building of the Hippodrome to replace the earlier one that was burnt down. Ten years ago the press had a long campaign against racing, but nothing came of it. Luckily, it is still one of the capitalist pleasures left for an unproductive and unprofitable but enjoyable Sunday afternoon.

Michael Binion



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WHAT'S GOOD FOR LAZARD FRERES

Mr Ian MacGregor, who is shortly to become chairman of the British Steel Corporation, has had a long and distinguished career in international industry. Born a Scot and now a naturalised American citizen, he adds a cosmopolitan quality to his industrial and business achievements. Although he has not been a prominent figure in the British industrial scene, there is no reason to doubt that he has potentially much to contribute to the regeneration of the fortunes of the British steel industry. Since the time that he was ear-marked to be the chairman of British Leyland, ministers of both political parties and the senior civil servants principally involved have been much impressed by his personal qualities.

It is, therefore, all the more tragic that the circumstances in which his appointment was announced yesterday by Sir Keith Joseph, the Secretary of State for Industry, should have been such as to destroy any positive impact that it might have made. The minister, Mr MacGregor, himself and the United States Investment Bank, Lazard Freres, have combined in a major error of judgment. The prime responsibility, however, must lie with Sir Keith.

His argument is that the BSC is in a mess and that the Government should hire the best available new chairman and pay whatever is required by way of a transfer fee to get him. The annual

world of international football, which Sir Keith willingly accepted yesterday, is in itself distasteful. Mr MacGregor may no longer be a British citizen and there is no reason why businessmen should accept public sector chairmanships for a pittance. There ought, however, to be an element of public service in such employment. To deny it entirely is the sort of mistake a Conservative government should not make.

Apart from the generally unfortunate quality of the way in which the appointment has been negotiated, there are a number of specifically unacceptable elements that anyone with political judgement should have avoided. First, the compensation, for being paid to Lazard Freres for the substantial loss of Mr MacGregor's services, may be justified in principle, though it might have been expected that the bank would agree to release him at the request of a friendly government. The sum involved, however, appears uncomfortably high. Mr MacGregor is already two years past normal retiring age. He had retired from his previous main job as chief executive officer of the American metals company, Amstar, in 1977.

A flat sum of £675,000 for the next three years in compensation to the American partnership seems high. If the Government had been prepared to put that kind of money towards the improvement of the pay of nationalised industry chairmen, entirely new areas of possible

domestic recruitment would have been open.

Secondly, it is wholly illogical that the compensation sum paid to Lazard Freres for the loss of Mr MacGregor should be increased by up to £1,150,000 on the basis of the performance under his chairmanship of the BSC itself. A transfer fee is a transfer fee. It is quite extraordinary that the British Government should have agreed to this further substantial payment to be calculated on the basis of events that have nothing to do with any loss that Lazard Freres may have suffered by the departure of Mr MacGregor, or any contribution that Lazard Freres might make apart from foregoing his services.

It is, in addition, insensitive to the extreme, as the industry strives to climb out of the debris of the recent steel pay strike, to announce a payment of this size to a bank for the services of one man. Steelworkers would not be human if they did not compare their take with that of Lazard Freres. Leadership in an industry is vital. The role of an executive chairman should not be underestimated. But the BSC will only emerge from its present teamwork and co-operation. We must wish Mr MacGregor well, for his failure would further damage the national interest. He has, however, been given the worst possible start by Sir Keith. If these were the only terms on which he was prepared to serve, he should not have been appointed.

NO EASY ANSWER TO A REAL PROBLEM

The Inner London Education Authority is an anomaly, and an expensive one. The official inquiry into its future announced by the Government this week will have no difficulty in finding evidence that it works unsatisfactorily in a number of ways. It may find it less easy to put forward an alternative which does not promise to be at least as unsatisfactory. The golden rule in local government affairs these days is to attempt no reorganisation which does not guarantee unmistakable gains, outweighing the expense and confusion that can be counted on to accompany any extensive remodelling.

The case against ILEA is easily made. It spends more per pupil than any other education authority in the country, and its achievements in terms of examination successes are below average. It is claimed, when its special problems of urban deprivation are allowed for. Because of its great size, its lines of communication are long, a fault emphasised by over-centralisation of administrative control. In the schools themselves, by contrast, its inspectors were too tolerant of eccentric and inadequate teaching, at least until the unhappy William Tyndale affair made it obvious that control had been too lax. The constitutional position of the authority is ill-adapted to coping with these problems, and (which is perhaps more important) ill-adapted to creating public confidence that it can do so.

The authority is technically a committee of the Greater London Council, with members drawn from the GLC, the twelve boroughs in its area, and the City (the outer London boroughs run their own education services). It has power to raise money at its own discretion through the boroughs (education accounts for as much as half of the rate demands of the latter). Its boundaries are drawn in such a way that Labour enjoys perpetual control. The result is that education is not really a political issue either in borough or GLC elections, and councillors have little incentive at either level to interest themselves in how their local schools are run, nor in what is spent on them.

The simplest solution to these problems would be to do away with the anomaly, and transfer responsibility for education to each inner borough. Subject to the findings of the inquiry, that solution seems to have nothing but simplicity to recommend it. The boroughs vary enormously in their wealth; to maintain standards, several would have to raise their rates by well over half. Even the strongest opponents of ILEA accept that some system for sharing resources would be essential.

The pattern of schooling in the area as it has grown up throughout the century pays no regard to borough boundaries; to provide a complete service, there would also have to be extensive sharing of facilities. It

is widely acknowledged that ILEA is able to provide many specialist services at an exceptionally high standard; this is possible only because they are organized on a large scale. Finally, the population in the area is falling; the adaptation to this needs to be planned over the area as a whole (which, it is predicted, will in any case be no larger in population than several other education authorities by 1985).

A borough-by-borough system would therefore be burdened with so many cross-boundary arrangements, only indirectly accountable to the electors, that it might produce little gain in democracy at an increase, not a saving, in administrative costs. Yet the problem remains. The Marshall inquiry of 1978, set up by the Conservative GLC, proposed putting education squarely into borough politics by retaining ILEA, but drawing its members entirely from the boroughs, and increasing their number. That is on possibility. The new inquiry should also consider whether some boroughs, unwillingly yoked into ILEA might be able to make a case for taking on their own responsibility for education. ILEA could scarcely exist under a permanent threat of secessions, but the minister might give boroughs two years, say, to demonstrate that they could provide adequate services alone—and, equally important, that this would be done without detriment to their neighbours.

THE LAW LORDS OPEN A POVERTY TRAP

The availability of legal aid is not always an unmitigated benefit. The House of Lords recognized this in its judgment yesterday in a case involving what Lord Scarman referred to as "a poverty trap set by the legal aid legislation in the very heartland of the modern matrimonial law".

The unfortunate victim was a Mrs Hanlon, a lady of limited means who, after years of divorce litigation, finally obtained a court order giving her the former matrimonial home. In the process she used up £5,000 in legal costs, which were paid by the legal aid fund. The law allows such costs to be set off against any assets gained through the litigation, and the Law Society (which has responsibility for civil legal aid) accordingly placed a charge on her house.

Thousands of similar charges are registered annually, and the amount involved runs into millions of pounds. A charge remains dormant for as long as the individual continues to live in the property but it is activated as soon as there is a sale. Mrs Hanlon found the upkeep of the matrimonial home beyond her means and wished to move to a

smaller home. If she sold her house, however, the Law Society would recoup the legal aid costs and leave her with insufficient capital even for the purchase of a cheaper house.

The case raised more than one issue of law, and the House of Lords in fact dismissed Mrs Hanlon's appeal on a separate point. All five law lords, however, agreed that the operation of the charge could be unjust, and one of them, Lord Lowry, suggested its abolition. The others, while not going that far, were of the opinion that the Law Society had the discretion to allow the charge to be transferred from one property to another—a discretion which the Law Society did not believe was within its powers.

That is a sensible approach which, assuming the Law Society exercises its discretion sympathetically, should eliminate the kind of dilemma posed by the Hanlon case. It would not be open for an individual to carry a charge around from house to house in perpetuity because as soon as it became clear that no hardship would be caused by the charge being activated the Law

Society would no doubt stop allowing it to be transferred.

It is right that those who administer legal aid, and who are therefore trustees of public money, should take care that the legal aid scheme is not abused or its funds wasted on the undeserving. In cases where legally aided litigants are successful, and as a result greatly improve their financial position, it is reasonable that they should be required to reimburse their legal costs to the fund which provided the money. At the same time, it is possible to temper keen control of public funds with flexibility and humanity in applying the rules in particular cases of hardship. It may be that the result of the Hanlon case will be to reduce the amount of money in the legal aid fund, because some costs which up to now would have been recoverable may permanently escape the clawback. The House of Lords was nevertheless right to interpret the law in the way it did. Legal aid, after all, is a social service and their lordships on this occasion showed that they appreciated the wider social implications of their decision.

Moral standards

From Professor T. A. Roberts
Sir, I refer to the letter (April 25) from 150 members of the Department of Theology at Durham University. Prostitution is not (in England and Wales) a criminal offence in the London case to which they refer, neither the women who "ministered" (by engaging in sexual activity) to their male clients nor the male clients were prosecuted. In the case of the latter, that they were male and respectable (or distinguished) is beside the (legal) point. They had committed no legal offence.

off the immoral earnings of prostitution, such as running a brothel, or allowing one's premises to be used as a brothel, or living off the immoral earnings of prostitution. In the London case, a lady was successfully convicted of such offences. Again, her sex was irrelevant. Many such prosecutions (if not the majority) involve men, as for example being guilty of living off the immoral earnings of prostitutes. Where then is the hypocrisy?

The Durham theologians do not think the law should be used to enforce public morality. Traditionally Christian morality has strongly condemned prostitution, but since prostitution is not a criminal offence in this particular case, the law is not used to enforce morality (in some states in the United States prostitution is a legal offence). What then do they mean? Do they advocate the abolition of the exist-

Violence on the Underground

From the Managing Director (Railways), London Transport
Sir, While I can understand the emotion that led Peter Wynne Davies to write about the incident he witnessed at Leicester Square Underground station (April 30), I cannot accept his suggestion that it is becoming unsafe to travel by Underground. We do, after all, carry 11 million passengers every week, all but a handful without incident of any kind.

The troublemakers at Leicester Square were football supporters. The station staff did all they could in the circumstances, which was to call for police assistance. Police were quickly on the scene, but by then the vandals had gone.

There is no way that the small London Transport Police can maintain an effective presence at all 250 Underground stations, some of which are very large. While we are hoping to get authority for a substantial increase in the size of this force—from below 200 to perhaps 500—our priority must be to improve communication systems so that officers can quickly get to the scene of any trouble.

We at London Transport are honing our constructive co-operation with Tuesday's Home Office conference on the problem of violence on public transport. We shall be looking for assistance to enable us to spend more money on policing or on communications, or on more radio frequencies for police use. We want a change in the law so that an assault on a uniformed transport worker would be regarded for prosecution purposes as an assault on a police officer, or on a police dog. We shall be urging stiffer penalties for offenders.

None of these measures will, I fear, eliminate violence and "hooliganism". These are social problems as much in our streets as on our transport systems, and society must find the solutions. Until it does, we shall do our utmost to gain protection for our staff and our passengers.

Yours faithfully,
W. W. MAXWELL,
Managing Director,
London Underground,
55 Broadway, SW1,
May 1.

Overcrowding of prisons

From Mr M. J. Calvert
Sir, Mr Whitlaw has announced measures to reduce the overcrowding of our prisons (report, May 1). During the past year, as High Sheriff of Surrey, I studied our penal system and was impressed by the extent to which overcrowding in terms of custodial sentences. Removing men from their homes makes them more likely to commit further offences on their return. Unfortunately our courts often have little alternative at present.

We need guidelines from Government to coordinate and develop our non-custodial sanctions such as community service, attendance centres and intermediate treatment. Those organizing them must be made to realise that if these are to be alternatives to custody, they must be enforced and be sufficiently strong so that the courts and the public as a whole can look on them as sufficient punishment for the crimes committed.

In addition we need a change in the law so that a sentence may add one of these non-custodial sentences to a short period of as little as one week in custody. A recall procedure would allow an offender to be called back into custody for another year should he fail to cooperate.

Our non-custodial sentences gained the confidence of the courts, a sentence such as this could often be used in a situation that earns a three to six-month custodial sentence now.

Yours faithfully,
M. J. CALVERT,
Ockley Court,
Ockley,
Dorking,
Surrey.

Loving with the mind

From the Reverend Professor Barnabas Lindars
Sir, Biblical Hebrew does not have a word for mind (lel), April 22 and 23) and usually the heart is referred to as the seat of intelligence. The soul (literally windpipe) is used for aspirations and temper.

The emotional responses by the body and kidneys (reins), but also sometimes by the heart. The semantic range of these expressions does not exactly coincide with that of their usual English equivalents. Mark 12 and Luke 10 the addition of mind represents a double translation of either soul or heart, and is not intended to be an additional faculty.

In fact the listing of three (or four) faculties is intended to indicate totality. The law of Moses commanded the Israelites to love God with all their faculties, and Jesus summed this. It is good that on this point Jews and Christians are in agreement, and surely the same applies to adherents of other faiths.

Yours sincerely,
BARNABAS LINDARS, SSF,
Faculty of Theology,
University of Manchester,
Manchester.

London's third airport

From Mrs Rhoda Evans
Sir, I was astonished to read of the British Airports Authority's declared intention to purchase 1,500 acres of land around Stansted airport prior to the public inquiry on its expansion.

Surely this is using public money to acquire land that may never be used for the airport or has the decision to make it the third London airport already been made. In which case why is time and money being wasted on a public inquiry?

Yours faithfully,
RHODA EVANS,
Evelyns,
Little Easton,
Great Dunmow,
Essex.

LETTERS TO THE EDITOR

Mrs Thatcher's stance in the EEC

From Sir Peter Tetlow

Sir, Bismarck maintained that the proper use of words was to conceal meaning. The "New Speak" of the European Community, with words such as convergence, just retour, parallelism and Community spirit meaning more or less the opposite to what one would expect, is a perfect example of his dictum. Mrs Thatcher is accused of lacking Community spirit because she is concerned that the level of Britain's budget contribution is unjust and because she has refused to accept an increased farm prices would add an unwarranted burden for the British taxpayer and consumer and would also hasten the day, which is not far off anyhow, when the Community bankrupts itself through the riotous living of its farm policy.

She has declared her total commitment to the Community, and would find this difficult to reconcile with bankrupting it. Britain needs a strong and prosperous Community, not one that wastes its substance on subsidising surpluses of unwanted products, some of which, like butter, are bought at rock-bottom prices by a French communist millionaire and resold to the Russians.

Community finances are in disarray and so far little notice seems to have been taken of Christopher Tugendhat's speech in Hamburg in which he argued sensibly for proper budget control by the Council of Ministers and finance ministers and the European Parliament so that the agricultural ministers could be restrained from overspending the resources of the Community. It is after all the French farmer who benefits most from the common agricultural policy and it would not help Giscard d'Estaing two years hence in the election if the French farmer voted were to find the CAP in ruins.

If we have to have surpluses let us produce useful ones which can be distributed to the starving and needy in our own countries and the third world. If for social reasons beyond the resources of the Community we have to subsidise the way of life of poor farmers, French shepherds in the Auvergne or Scottish crofters, let each country on its own add a topping-up deficiency payment agreed between the member countries.

The deviance of fudging issues with the "New Speak" of the Community spirit will very soon deal a death blow to this great adventure of the European Community unless they return to the realities of everyday life and language.

Yours truly,
PETER TENNANT,
Blue Anchor House,
Linchmere Road,
Haslemere,
Surrey.

Farmers and consumers

From Mr Alistair Sutherland
Sir, Mr Chaloner (April 28) asks how he is to use his highly valued farm land. For some purchasing power now, he can sell his land, and lease it back. Or, if he feels that he cannot farm it as successfully as the man who wishes to buy it from him, he should sell with vacant possession and use his talents in some occupation other than farming. A mere 15 acres worth would buy him a good specimen of those houses that he mentions, and the rest of his capital could bring him a redemption yield of 14 per cent in gilts.

But my suspicion is that Mr Chaloner, like other farmers, is not going to take either of these courses, precisely because he thinks that his long-term economic prospects are much better in farming as an owner-occupier. His land is worth so much to himself; if he does not sell, just as much as to the potential buyer—because others share his informed view of the expected annual agricultural income in future years plus the likely terminal capital value of the land and its favoured treatment for capital

From Mr C. L. Fox

Sir, Your strictures on Mrs Thatcher today (April 30) for failing to agree with Herr Schmidt and President Giscard in Luxembourg, might have been justified if West Germany and France were as staunch in support of the United States in the Afghan crisis as Britain.

The same World at One in which you carried your criticism to a wider audience reported that our European friends had just sold 20,000 tonnes of butter to the Soviet Union at 50p below the normal price. I do not think that Mrs Thatcher would have agreed with that, either. Nor, I fancy, would President Carter.

Yours sincerely,
C. L. FOX,
Heathcote,
The Ridges,
Finchampstead,
Berkshire,
April 30.

From Mr Constantine C. Cambouris

Sir, Is it not refreshing to see a British Prime Minister coming back to us with no agreement, rather than one with a meaningless compromise claiming it as a victory?

Yours faithfully,
CONSTANTINE C. CAMBOURIS,
POULOS,
Ashcroft,
Ringsmead,
Lewes,
Sussex,
April 30.

From Mr Stephen Ross, MP for Isle of Wight (Liberal)

Sir, Thank goodness for your leading article today (April 30). The world situation is too dangerous for us to be at loggerheads with our European partners and Mrs Thatcher should have appreciated this fact.

Only my colleague Russell Johnson had the courage to put this to her in the Commons on Tuesday, but he was a voice in the wilderness, such is the lack of vision in Parliament just now.

Yours faithfully,
STEPHEN ROSS,
House of Commons,
April 30.

From Dr Michael G. Jeffries

Sir, I imagine that the decision by the EEC Commission to further subsidise the Russian economy is to ensure that they can afford guns and butter.

Yours faithfully,
MICHAEL G. JEFFRIES,
Ty'n-y-Coed,
Betws-y-Coed,
Gwynedd.

transfer tax. Those prospects for rising real income and high export terminal value, naturally mean that the purchase price of farm land is many times the income from it in the current year.

Your reminder that farmers do actually work for consumers (April 12) has produced the normal crop of agricultural indignation. It is notorious that the present system of protection for agriculture is inefficient. All farmers are protected, not just those who require it; products in surplus are protected no less than the rest and it is inequitable. The consumer is typically worse off than most of the farmers he is compelled to support.

At any given level of income or capital the non-farmer tends to pay in tax more than the farmer. I trust that you will continue to support the need for fundamental changes in a system which inflicts both those who are so heavily protected and those who pay for that protection.

Yours faithfully,
ALISTAIR SUTHERLAND,
Trinity College,
Cambridge,
April 28.

British Council cuts

From Professor J. P. Stern
Sir, I have recently returned from a lecture tour, sponsored by the Goethe Institute of Federal Germany, of a number of universities in Norway, Finland and Denmark, and I have been appalled at the restrictions and neglect which the offices of the British Council in those countries have to endure as a result of the Government's adoption of a cutback budget report. At the time when the Council institutes are expanding their activities and generously supporting a whole variety of cultural and linguistic activities, and of course improving their country's trading contacts in the process, the British Council is being drained of funds for some of its most basic activities. Yet the level of interest in British culture and literature, and the concern for this country's political and social institutions could hardly be higher: the sympathy acquired during the Second World War has not been dissipated.

All this cannot of course be instantly quantified. Yet other countries—such as France and Germany, who are shrewd enough when assessing the objects of their public expenditure—have no doubt that a generous cultural policy abroad pays in tangible economic terms. Surely it is not too late to ask the Government to reconsider its policy?

Yours faithfully,
J. P. STERN,
Department of German,
University College London,
Gower Street, WCL.

Unwillingly from school

From Dr Paul Marett
Sir, I cannot tell Mr Parker (April 23) why school holidays are so long but I do know that he will have to wait a very long way to find out. In 1384 Katherine de Bekeley laid down the ordinances for school which she had endowed at Wotton-under-Edge. The school holidays were laid down in perpetuity. They were to run from December 21 to January 7, with a break at Easter, a week at Whitson, and the long summer break from August 1 to September 14. The charter is recorded in the Register of Henry Wakefield,

Bishop of Worcester 1375-1395. I have the honour to remain, Sir, Your obedient servant,
PAUL MARETT,
Department of Library and Information Studies,
Leeds University,
Leeds LS2 9JT,
April 30.

From Mrs Betty Carter
Sir, The answer to "Bruce Parker's question (April 28), "Why are school holidays so long?" is: "Because childhood is so short!"
BETTY CARTER (former child),
80 Manchester Road,
Wilmslow,
Cheshire.

A frosty view of vanishing fags

From Sir Rutilius Tustleton, Wykeham-Fiennes, and Mr Oliver Shepard

Sir, With the unmythical dust we hear that fagging has been abolished at Eton, the two most southerly OEs in the world, overwintering in cardboard huts prior to an attempt on the South Pole, we daily escape lavatories, clean and cold.

Having spent two to three years of our formative years doing mental tasks for others, this comes easily. Many who go to Eton need their self-esteem lowered and fagging was an excellent way of achieving this. We have the honour to be, Sir, your obedient servants,
RUTILIUS TUSTLETON,
OLIVER SHEPARD,
Rynging Camp,
Antarctica,
April 30.

Voice of the police

From the Chief Constable of Leicestershire

Sir, I am sorry that the Chairman of the Leicestershire County Council objects to the fact that chief constables are speaking out much more today than ever before (April 29). Why should all the pundits have their say, and yet the Police Service remain silent? The price of being unpolitical is surely that all comment is to be stifled. From time to time it is appropriate to speak out, lest the police viewpoint is lost amid the clamour of public comment. I believe this authoritative and efficient is unwarranted extravagance.

Yours faithfully,
A. GOODSON,
President of the Association of Chief Police Officers of England, Wales and Northern Ireland,
420 London Road,
Leicester.

Candidates under scrutiny

From Mr R. J. Forbes and Mr P. R. Jackson

Sir, We were pleased to read Peter Brock's Science Report article (April 23), as it is always helpful to have academic research findings made available to a wider audience. Our staff were aware of serious inaccuracies in his summary of the original research article. The actual findings reported in the *Journal of Occupational Psychology* suggested it was the candidates' non-verbal behaviour which was critical, not their verbal behaviour, rather than that of the interviewers. In fact in this research only the non-verbal behaviour of candidates was examined and coded by the psychologist observing the interviews.

Successful interview outcomes are associated with smiling, eye contact and head nodding by the candidate. Clearly non-verbal behaviour is an important factor affecting interview decisions. Apart from the areas you reported we also considered other aspects of non-verbal behaviour which were unrelated to the decision to accept or reject the candidate, namely leg arm and body position and body, hand, feet and leg movement.

Yours faithfully,
R. J. FORBES,
P. R. JACKSON,
Department of Business Administration and Accounting,
University of Wales Institute of Science and Technology,
Friary Building, 22 The Friars,
Cardiff.

Alive, alive-o

From Mr John Gibson
Sir, Though British Rail may discriminate against shellfish with impunity (letter, April 29), lawyers are inclined to adopt a more imaginative attitude.

Under the Animals Act, 1971, "livestock" is defined by reference to a catalogue of domesticated creatures, which at common law would be dubbed *mammaliae naturae*—or "tame"—in contrast to wild beasts, *ferae naturae*. Yet, in both the *Case of Agona*, and the Scottish *Case of Seaton*, mussels have solemnly been described as animals, *ferae naturae*.

If British Rail, therefore, needs to protect itself against malignant molluscs, perhaps it should follow legal precedent and apply a more respectful *Sanctus* "livestock".

Yours faithfully,
JOHN GIBSON,
Centre for Marine Law and Policy,
The University of Wales Institute of Science and Technology,
King Edward VII Avenue,
Cardiff,
April 29.

Out for a duck

From Mr R. E. Davis
Sir, Mr Clifton-Taylor (April 17) acted basely. If he had taken the eggs indoors and kept it warm he might have ended up with lunch for four instead of breakfast for one.

Yours, etc,
RONALD DAVIS,
Boughton Lane,
Sidmouth,
Devon.

Horse sense

From Canon George Austin
Sir, May I suggest that the Rev Ian Graham-Orbell (April 26) calls his horse Praxis? Thus when the Bishop telephones he may be told that the Rector is "developing Praxis" in an ongoing interface situation. Such a use of current liberal ecclesiastical jargon will surely, by its very incomprehensibility, convince the diocesan hierarchy that he is indeed one of the clerical class attempting to meet with contemporary society in relevant and meaningful confrontation.

Yours,
GEORGE AUSTIN,
The Vicarage,
19 High Road,
Buckley Heath,
Hertfordshire.

SPORT

Football



The final moment of joy: Talbot wheels away in delight after scoring Arsenal's goal.

Arsenal make it third final in a row

By Norman Fox
Football Correspondent

Arsenal 1 **Liverpool** 0

The holders, Arsenal, will be at Wembley on the appointed day, Saturday, May 10, to defend their trophy against West Ham United. It will be their third successive appearance, and to reach this point Liverpool will have to overcome a goal from a Liverpool player.

Liverpool's hopes of achieving the double ended after four successive wins in the league, but they were dented by a 2-1 defeat at Highbury Road, Coventry, on Tuesday. The Reds were traditionally disciplined Arsenal team, at Highbury Road, Coventry, on Tuesday. The Reds were traditionally disciplined Arsenal team, at Highbury Road, Coventry, on Tuesday.

So Liverpool's hopes of achieving the double ended after four successive wins in the league, but they were dented by a 2-1 defeat at Highbury Road, Coventry, on Tuesday. The Reds were traditionally disciplined Arsenal team, at Highbury Road, Coventry, on Tuesday.

with a long struggle to retain their interest in the ultimate target of the double. Their defensive football remained crisp with Souness and McDermott and Johnson playing a number of glorious moves, that deserved the praise of the referee. In the first half, Souness was a familiar theme in this sequence of matches and one that looked in danger of being finished. It was a familiar theme in this sequence of matches and one that looked in danger of being finished. It was a familiar theme in this sequence of matches and one that looked in danger of being finished.

Dalgleish through the edges of the penalty area with a splendid return pass. Dalgleish shot wide, and did so again when, breaking through the Arsenal defence to take advantage when an apparent foul by Young was ignored by the referee. By then, the game was almost exclusively in Arsenal's half, and Souness and McDermott were making much of Liverpool's game.

Bonds is cleared to play at Wembley

Billy Bonds will lead West Ham United in the FA Cup final at Wembley on May 10. He appeared before an FA disciplinary committee in London yesterday and they decided that a warning as to his future conduct "would be sufficient punishment after he had failed to play the full part of his team in the last two games of the season."

Bonds and the Birmingham City defender, Colin Todd, were sent off for fighting in a league match last week. Bonds and the Birmingham City defender, Colin Todd, were sent off for fighting in a league match last week. Bonds and the Birmingham City defender, Colin Todd, were sent off for fighting in a league match last week.

the commission that his record over the last two years has been "good". The FA secretary, Ted Croker, said: "As this case is the first in which the commission takes into account a player's disciplinary record and also the length of the season he has been in the team, it is impossible to put the Cup final right out of anybody's mind when deciding on a case like this. But I am sure the commission will take the proper view of the facts of the case."

Kelly decision deferred

Preston North End's assistant manager, Alan Kelly, has had to defer until the weekend a decision on whether to take charge of the Republic of Ireland team. He is still waiting for the go-ahead from his club, and the Republic's managers are unavailable. He will, however, manage the Republic for their two friendly internationals, against Argentina and Czechoslovakia on May 21.

Last night's results

FA Cup round, live replay 24.00
Arsenal 1-0 Liverpool
Scottish premier division
Dundee 1-0 Dundee United
NORTHERN PREMIER LEAGUE
Manchester City 1-0 Manchester United
SOUTHERN PREMIER LEAGUE
Birmingham City 1-0 Aston Villa
IRELAND
Republic of Ireland 1-0 Argentina

Sluggish display by Argentina

Buenos Aires, May 1—Argentina produced one of their most sluggish displays in the recent match against the Republic of Ireland. The Argentine side, who were the favourites, were outplayed by the Irish, who were the underdogs. The Argentine side, who were the favourites, were outplayed by the Irish, who were the underdogs.

Today's football

FA Cup final, live replay 24.00
Arsenal 1-0 Liverpool
Scottish premier division
Dundee 1-0 Dundee United
NORTHERN PREMIER LEAGUE
Manchester City 1-0 Manchester United
SOUTHERN PREMIER LEAGUE
Birmingham City 1-0 Aston Villa
IRELAND
Republic of Ireland 1-0 Argentina

Motor racing

Renault the team to watch in Belgian Grand Prix

Controversial rugby tour starts with more blessings than burdens

Old scars give Beaumont's Lions a target

Cricket

Lamb more like a lion against Underwood

By John Woodcock
Cricket Correspondent

CANTERBURY: Kent with all their second innings wickets in hand, are six runs behind Northamptonshire.

After a night of heavy showers, the match between Kent and Northamptonshire was delayed until 11.30. Kent, who were the favourites, were outplayed by Northamptonshire, who were the underdogs. Kent, who were the favourites, were outplayed by Northamptonshire, who were the underdogs.

What a different game it has become when, on a drying pitch, two hours are allowed to pass before anyone is allowed to bowl an over of spin. Even Underwood had to wait for an hour for his chance when Northamptonshire went in. In days gone by, the first over of the day would have been of the breaks or slow left-arm spin to a cluster of close fielders. Now we had 50 minutes of Sarfraz and Gifford before Underwood came on. Of the faster bowlers in the match Dilly had been the star.

This may be end of Ian Chappell's Test career

By John Woodcock

The Canterbury Test match at Lord's on August 28 will be played against an Australian side without Ian Chappell in it. He is not among the Australian party of 14 players, announced in Sydney yesterday, who will come to England in early August under Greg Chappell's captaincy, for a five-week tour.

Gloucester's surge is checked by Gifford

By Alan Gibson

WORCESTER: Gloucestershire with eight first innings wickets in hand are 214 runs behind Gloucestershire.

There was no play in the first scheduled hour, because of heavy rain overnight. Gloucestershire, 51 for no wicket, were bowled out by Gloucestershire, who were the underdogs. Gloucestershire, who were the underdogs, were bowled out by Gloucestershire, who were the underdogs.

Gloucestershire's first innings was a masterpiece of batting. The Gloucestershire batsmen, who were the favourites, were outplayed by Gloucestershire, who were the underdogs. Gloucestershire, who were the favourites, were outplayed by Gloucestershire, who were the underdogs.

Notts v Middlesex

NOTTINGHAMSHIRE: First Innings
Notts 1-0 Middlesex
Notts 1-0 Middlesex
Notts 1-0 Middlesex

Surrey v Hampshire

SURREY: First Innings
Surrey 1-0 Hampshire
Surrey 1-0 Hampshire
Surrey 1-0 Hampshire

Somerset v Sussex

SOMERSET: First Innings
Somerset 1-0 Sussex
Somerset 1-0 Sussex
Somerset 1-0 Sussex

Little encouragement for the Yorkshire bowlers

By Peter Marston

LEICESTERSHIRE: Yorkshire with nine first innings wickets in hand, are 164 runs behind Leicestershire.

Leicestershire declared at tea yesterday, after seven wickets on the board, their first three bonus points in the bag. Leicestershire, who were the favourites, were outplayed by Yorkshire, who were the underdogs. Leicestershire, who were the favourites, were outplayed by Yorkshire, who were the underdogs.

Leicestershire's first innings was a masterpiece of batting. The Leicestershire batsmen, who were the favourites, were outplayed by Yorkshire, who were the underdogs. Leicestershire, who were the favourites, were outplayed by Yorkshire, who were the underdogs.

Lancashire v Derby

LANCASHIRE: First Innings
Lancashire 1-0 Derby
Lancashire 1-0 Derby
Lancashire 1-0 Derby

Oxford U v Warwick

WARWICKSHIRE: First Innings
Warwick 1-0 Oxford U
Warwick 1-0 Oxford U
Warwick 1-0 Oxford U

Glamorgan v Essex

GLAMORGAN: First Innings
Glamorgan 1-0 Essex
Glamorgan 1-0 Essex
Glamorgan 1-0 Essex

Greenidge limps, Hants fall

The Oval

Giles Cheade removed Gordon Greenidge in his third over. It was a brilliant catch, and Greenidge, who was the favourite, was outplayed by Hants, who were the underdogs. Greenidge, who was the favourite, was outplayed by Hants, who were the underdogs.

Hants' first innings was a masterpiece of batting. The Hants batsmen, who were the favourites, were outplayed by Greenidge, who was the underdog. Hants, who were the favourites, were outplayed by Greenidge, who was the underdog.

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Boxing

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Hungarians move for Iran project

Hungary has offered to help Iran complete a \$2,200m (£1,400m) petrochemical complex at the southern port of Bandar Khomeini in place of a Japanese consortium.

The official Paris news agency said the offer came at a meeting between Mr. Reza Sadri, Iranian commerce minister, and Mr. Josef Miklo, Hungarian ambassador in Tehran. An Iranian delegation is to visit Hungary.

A company formed by Japan's Mitsui industrial group had completed 85 per cent of the project when it was stopped a year ago after the Iranian revolution.

Iran is anxious to see the project finished but there have been continuing disputes over labour control, now further complicated by Japanese support for American economic sanctions against Iran.

Paris-French oil deal

The French state-controlled Compagnie Française des Pétroles has signed an agreement in Beijing for oil research and production in a 3,800 square mile area off the southern coast of China.

The agreement with the China Petroleum Company will be submitted to both governments for approval.

Building orders fall

Seasonally adjusted construction orders received by 43 Japanese companies in March fell by 4.1 per cent from the February level, equivalent to a decline of about £1,350m.

Price rises slow

The South African wholesale price index rose by 0.53 per cent in March after a 1.25 per cent rise in February. The year-on-year increase slowed to 18.1 per cent from 18.6 per cent in February, according to official figures.

Thai export target

Thailand has set its export target for this year at 136,000m baht (£3,000m), a 25 per cent increase on last year's actual exports, a spokesman for the commerce ministry said. He forecast that the country would still suffer a trade deficit of 45,000m baht.

Department of Energy to be given names of companies denied supplies

Campaign against gas monopoly

Chemical industry leaders expect soon to be able to provide the Department of Energy with detailed examples of cases in which companies have been refused a gas supply.

The names of the companies will not be made public, but it is hoped that their experience will demonstrate that the inability of British Gas to meet industrial demand is restraining investment and job creation.

Last February, the House of Commons was told that altogether 4,000 companies were waiting to be connected.

It is understood that the department will also be given estimates of likely regional demand for gas supplied to industrial producers by an independent distribution system.

The industry has been gathered largely at the request of energy ministers to support radical proposals by the Chemical Industries Association that the Government break the British Gas monopoly in buying, moving and selling gas in the United Kingdom.

This would give potential suppliers from the private sector an opportunity to provide a new network for industry. It was suggested at a meeting with Mr. David Howell, Secretary of State for Energy, earlier this year that this might serve highly concentrated areas of industrial demand such as the North-west, the Midlands, the North-east and central Scotland.

The association, which represents an industry with an annual turnover of about £15,000m, sees the ending of the British Gas monopoly as part of the long-term solution to supply problems.

It estimates that there will be a shortfall in supplies to the gas chemicals industry by 1983 of about 200 million cubic metres a day. Because of past and existing obligations to the domestic consumer, industry has found itself increasingly starved of new supplies, the association argues.

In the first six months of the past year, for example, 935 million additional cubic metres became available, but of that total only 32 million went to industry.

The Government and the British Gas Corporation acknowledge that because of the very large increase in domestic demand it has been unable to meet industrial requests for supplies.

It has expressed interest in the chemical industry's proposals, but asked the association to provide further details, Mr. Martin Trowbridge, director general of British Gas, explained.

Talks are also to be held next week with the United Kingdom Offshore Operators' Association over the feasibility of an independent distribution scheme.

In the past companies have been reluctant to admit that they had been refused a supply because they feared that it might delay further a connection. It is known that demands by the Swiss-based Roche group for gas to power its new vitamin C plant at Dalry in Ayrshire could not be met.

Mr. Trowbridge emphasised that his association members were not planning to go into the gas supply business, although some of their parent companies, with North Sea interests, were watching developments.

"What we are seeking is a change in the law to allow potential independent operators the opportunity to act should it prove commercially feasible."

Chemical industry leaders have held several meetings with British Gas over both the availability of gas and price. They believe that, but for the mildness of the winter and the generally low level of industrial activity, consumers on "interruptible" contracts may have faced hardship because of supply cuts.

They have also argued, inconclusively, that British industrial gas users are at a price disadvantage against overseas rivals.

Part of the answer to both availability and price problems faced by industry, they believe, lies in raising domestic tariffs.

John Huxley

Bank invests £5m in small businesses

By Peter Hill

Barclays Bank is to invest £5m in small industrial premises to be built in assisted areas. The bank will acquire sites from the English Industrial Estates Corporation and finance building work which will be done by the corporation.

The bank is the third major private sector investor in the Government's attempts to provide premises for small companies in industrially depressed areas. The programme began after a report published earlier this year showed there was a significant shortage of small industrial premises throughout the country.

Since the report was published, £25m has been raised to build these small units and £20m of this has been provided by the private sector. In February, the Legal and General Assurance Company put up £5m for the development of more conventional industrial units in the assisted areas and last month CIN Properties offered £15m in return for the investment the private sector companies will control the freehold of the properties and retain control of the rents.

Mr. David Mitchell, Parliamentary Under Secretary of State for Industry welcomed Barclays' involvement in the venture. He said that the would pay for the construction of at least 200 much needed nursery units.

Both Dr. Lans and Dr. Rolf Sammet, chairman of Hoechst, hinted that their mutual opposition to the construction of at least 200 much needed nursery units.

Dr. Lans, who is also deputy chairman of Hoechst, the West German chemicals company, added that action taken by Britain to stem imports of fibres, especially from the United States, would not yield results. The European Commission was above the effective import level, he said.

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US fibre imports a long-term challenge

By John Huxley

A warning that cheap imports of man-made fibres from the United States will continue to challenge European markets even after the present allegedly unfair cost advantages enjoyed by American producers had been eroded, has been given by a leading chemical executive.

Dr. Kurt Lanz, the West German president of CEFIC, the European federation of chemical manufacturers, said that "problems posed by artificially low energy and feedstock costs enjoyed by American producers would recede."

At the same time, the challenge from cheap American imports, first felt in fibres but more recently in plastics and other bulk chemical markets, would be moderated. However, he said that because of other production advantages in the United States in fibres production, European producers would remain under pressure.

Dr. Lanz, who is also deputy chairman of Hoechst, the West German chemicals company, added that action taken by Britain to stem imports of fibres, especially from the United States, would not yield results. The European Commission was above the effective import level, he said.

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Their remarks come as the EEC is poised to take anti-dumping action against certain man-made fibres from the United States. Earlier this year, the Commission agreed to initiate action by Britain against imports of two forms of synthetic fibre, polyester filament and nylon carpet yarn.

The British producers had argued that domestic markets had been disrupted, mainly by American imports.

Dr. Lanz was speaking in Frankfurt where Hoechst, yesterday, announced sales in 1979 of DM27,000m (about £7,000m), 11.9 per cent up on 1978. Profit rose by DM500m to DM1,700m.

Hoechst's fibres operations, which have been extensively restructured in recent years, contributed a profit of about £15m. This is in marked contrast to other European fibre producers, who have been forced to cut back output to minimize losses.

Britain's ICI, for example, made a loss on its fibres operations in 1978 of £33m. Cheap imports from the United States were given as a reason.

Dr. Sammet said that the revival in profitability of fibres in 1979 might prove exceptional. However, he was convinced that the group, which has a fibres plant at Lishavay, in Northern Ireland, was now in good shape to face the future.

He said that attempts by British manufacturers to curb imports had led to "not fortunate arrangements."

It was intended that manufacturing industry would have reached 75 per cent metrication by 1975; in fact, industrial observers say that progress has been made only halfway.

Mr. Jack Whitely, who leads the CBI's metrication panel, has recently completed a survey of more than 5,000 engineering companies which suggests that the sector is only 45 per cent of the way towards completing the switch from imperial measures.

The cost of dual working, in metric and imperial, for an average company with 140 employees and an annual turnover of £1.7m, is put at £49,000 a year. Although the CBI admits that aggregate figures can be misleading, it suggests that the total cost to manufacturing industry of continuing to operate a half and half system is about £1,100m a year.

Altogether the CBI survey suggests that 44 per cent of plant manufacturing manufacturing industry in 1979 was still built to imperial measures. As much of the plant has a life of more than 20 years, it means that total transition cannot occur until at least the turn of the century.

Mr. Ensom will be pleased to learn that the Government's Project Information Group, which included representatives from all sides of the building industry, recommended in 1978 among other things, that there should be a code of practice for drawings.

This idea was taken up last year by the National Federation of Building Trades Employers, the Royal Institute of British Architects and the Royal Institution of Chartered Surveyors, who between them have formed the Coordinating Committee for Project Information.

This committee has the complex and difficult task of developing proposals for a code of practice for drawings which can be coordinated with the specifications and bills of quantities. This move should considerably improve the documentation produced at tender stage.

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Some highlights of the 1979 financial year.

CBI urges faster metrication

By Our Industrial Staff

Employers' leaders will seek to persuade the Government to press ahead with metrication when they meet Lord Trenchard, Minister of State at the Department of Industry, later today.

The Confederation of British Industry says that failure to complete the transition—which will be slowed by the abolition of the Metrication Board this week—could cost industry many millions of pounds—possibly as much as £1,300m a year.

The delegation, led by Mr. Bryan Rigby, deputy director general of the CBI, is expected to tell the minister that unless a firm lead is provided by Government the switch will not be completed for at least another 20 years.

"Industrial companies cannot change on their own. Changing depends on customers as well as suppliers, and needs at least a minimum of co-operation," Mr. Rigby said last night.

The CBI is particularly concerned that the switch against the country and industry in particular is being plunged into uncertainty.

Pressure from industry was largely responsible for the establishment of the metrication programme and the launching of the Metrication Board 11 years ago.

It was intended that manufacturing industry would have reached 75 per cent metrication by 1975; in fact, industrial observers say that progress has been made only halfway.

Mr. Jack Whitely, who leads the CBI's metrication panel, has recently completed a survey of more than 5,000 engineering companies which suggests that the sector is only 45 per cent of the way towards completing the switch from imperial measures.

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LETTERS TO THE EDITOR

Rates burden on small concerns will lead to fewer jobs

From Mr. E. A. Naplin

Sir, Christopher Warman's article of April 19 on the non-domestic rates burden was timely and necessary. Many small businesses have recently received their new rates demands and the owners of those businesses are no doubt wondering where the money is going to come from to fund the increase.

Taken out of context, the academic argument ascribed to Professor George Jones (that non-domestic rates were passed on in prices to be paid for mostly by people with no connection with the area in which the tax was levied) is dangerous nonsense. Most small firms operate in highly competitive markets and large increases in local rates will be paid for locally in the form of less jobs. Labour controlled authorities should be made aware of this reality and not blinded by economic theories on the distributional effects of local business taxes. My firm's rates in London have been increased by £5,000 and in the current difficult trading climate that will mean one less job in an inner city area desperate for economic regeneration.

Professor Jones was, of course, arguing that rates should be transformed into a national tax because "commerce and industry have no voice in local affairs and...the current rates-system encourages irresponsible in local authorities. Given that the present Government appears to have no proposals to alter the local tax-base, an alternative would be to reintroduce the business rate as a means of bringing practical experience to bear on the difficult problems facing local authorities."

In our large cities small firms have seen a decline in the volume of local authority housing for staff; the refuse collection service for industrial waste (for which we are charged additionally);

c main and secondary roads; d the discipline and educational standard of school leavers (who seek employment as close to home as possible); e the quality of policing, essential for the protection of property.

All these features represent cost constraints to the development of locally based industry and employment which many authorities claim to want.

The business vote would provide a formal mechanism to secure more effective policies to meet the long-term needs of local employment and a greater contribution to public affairs by

sought an amendment to our Memorandum and Articles of Association dated May 7, 1977, to delete the word "limited" from our title, and this was granted on January 23, 1979. I am sure that many other private limited companies with not dissimilar objectives and purposes have obtained the same dispensation and I would suggest that all such companies continue to resist the proposed measure.

Besides the undesirability of such a measure, per se, I cannot see how, in fact, that discontinuance of departmental authorization will result in great, if any, real economies and, indeed, if the latter part of the proposal is also implemented, surely the cost to public funds will be at least as high as it is now, if not higher.

Yours faithfully, S. F. C. BRADFORD, Principal, The British School of Osteopathy, 16 Buckingham Gate, London SW1E 6LB.

Because of these educational purposes and objectives, we

national tests are undertaken to investigate stability in the event of collision damage or major structural failure.

Oil companies work closely with research laboratories, contractors, the Department of Energy and classification societies to ensure that designs are as safe as possible in the light of current technology and every effort is made to avoid catastrophes such as that which occurred with the Alexander Kieland.

Yours faithfully, IAN McDONALD, Director, Sea Bed Engineering Ltd, PO Box 3, Wirral, Cheshire.

From Mr. Alex Gordon, Sir, Mr. A. C. Ensom (letters April 18) is not alone in his desire to obtain a better deal in building contracts. He mentions changes in specification made during the course of construction as being the main cause of construction costs and others need to tackle the problem at the design stage during the preparation of the pre-contract documentation.

Mr. Ensom will be pleased to learn that the Government's Project Information Group, which included representatives from all sides of the building industry, recommended in 1978 among other things, that there should be a code of practice for drawings.

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BY THE FINANCIAL EDITOR

Controlling silver after Bunker Hunt

Only a few weeks after recovering from the hammer blow of the Hunt brothers' indebtedness, the silver market has received another setback. Yesterday's slide in prices reflected dismay not just at remarks by Mr Paul Volcker, chairman of the Federal Reserve, and by Mr James Stone, chairman of the Commodity Futures Trading Commission, but also at the prospect of the Hunt camp unloading yet more silver.

That should be enough to keep prices depressed and trading at a low ebb for some while.

Both Mr Volcker and Mr Stone strongly urged that the United States futures market should be even more tightly regulated than they are at the moment. And already the CFTC has taken the first steps in disciplining foreign operators by banning a Swiss Bank, which had refused to disclose information about its silver dealings, from trading in the United States commodities markets.

Some brokers argue that a demoralized market could well be destroyed by too stiff rules on margins, position sizes, and bank financing. While this is probably an exaggeration, the evidence from recent trading in silver suggests that smaller investors have been scared away.

Tougher financial requirements are unlikely to bring them back, at least not until the outlook is much more enticing.

But changes either in the law or in the enforcement of existing powers held by the United States authorities will take time to produce results. Equally, they have no direct bearing on the London market, which under the watchful eyes of the Bank of England and its own policing mechanism seems to be better behaved.

What is depressing investors and the market at present is the threat of unspecified but considerable amounts of silver being sold, as the Hunts try to liquidate debts still put at as much as \$1,000m.

The present arrangements are that a consortium of American banks has lent a Hunt company, Placid Oil, about \$1,000m with which the brothers can restructure their debts. But it is unclear whether this means that physical silver will be released, and if so, how much. An additional worry is that the very high interest rates being charged on the loans to the Hunts could prove unsustainable, thus precipitating another crisis.

The irony is that those banks which, not without arm twisting by the United States authorities, are putting up the funds for the Hunts, could find themselves in the same dilemma as their clients did six weeks ago: trying to sell silver into a weakening market which their sales are exacerbating. Faced with such uncertainty, even big investors are staying out of the market.

But there is a silver lining. Yesterday's London Metal Exchange closing cash price for silver showed a fall of 54p an ounce to 546.5p. The trend was echoed in New York, where futures prices fell by their permitted maximums. Although these levels are 54 or 55 an ounce above those of a year ago, they are lower than big industrial buyers had anticipated.

Such buying as the market is seeing is therefore from industrial users of silver. Further weakness could tempt back a few large speculators prepared to take a long view. But until the news from the United States is clearer, silver is likely to stay depressed and quiet.

Commodity ructions are nothing new but at the end of the day they undermine confidence. The United States market can take the silver upset in their stride but they could do well to remember the way the Paris markets were destroyed following the white sugar scandal a few years ago.

George Wimpey Looking through a disappointing year

Despite a strong recovery in operating profits after the weather-hit first-half George Wimpey has finished the year with a pretax profits fall of almost £10m at £47.3m.

The market, expecting around £50m did not take that kindly, but it was more disappointed by the dividend news. Although payments, including a retrospective special distribution for 1978 have effectively increased five-fold since the reconstruction, Wimpey can have no better than total 1979 payments of 3.2p gross—more than seven times covered on stated earnings.

On the profits front, disappointment was due partly to the interest rate squeeze—

interest costs more than doubled to £12.6m—and Wimpey's caution in not including profits on contract and housing work which it feels is not sufficiently advanced due to bad weather delays.

Given the current outlook in both housing and contracting Wimpey will presumably be grateful for this delayed flow in the current year. At the moment much depends on the interest rate picture and the effect this will have on the all-important mortgage scene. Wimpey plans to maintain building at the 11,000 homes mark and hopes the mortgage outlook improves—although at the bottom end of the market the group is finding the going easier than most.

Even so the outlook for the current year is unexciting with best hopes for a recovery to £52m. Longer-term, of course, Wimpey is an interesting prospect. Without the distortions of the property portfolio in this year's accounts will be significantly above last year's £39m and rental income should be sharply higher than the 1978 total of £2.9m.

Last year's rise in interest costs was largely as a result of the group's heavy investment in land for housing, commercial and industrial property all of it with one eye on the stock relief provisions. Significantly tax and interest costs together rose only £1.2m to £19.2m.

Wimpey's shares, down another 3p to 70½, now yield 4.6 per cent and sell on 4.4 times earnings rising to just under eight fully-raked, which adequately reflects the market's fears about short-term prospects.

But it may not be many months before the locked-up potential on the property side is more fully recognized and the shares could then start to recover lost ground.

There has been an increasing amount of talk recently of MLR being lowered in the near future. The market has latched on to the prospect of a fall in dollar interest rates, the easing of the longer period rates in the United Kingdom money markets and suggestions that ministers may be responding to pressure from industry for a quick cut in interest rates.

There has even been talk that next week's April banking figures may be good enough to justify an early cut in MLR. We shall see. Those who try and predict that rates will or will not fall on any particular day generally finish up with their heads lopped off, but unless political pressures for a cut in MLR are considerably greater than seems apparent, there is a cut in the rate before June or July would seem premature.

For a start the bank-lending figures and other economic indicators need to be totally convincing. Secondly, there is still a vast amount of money market "help" to be unwound. Thirdly it would be surprising if those responsible for government funding would welcome an early cut in MLR. Far better to get two bites at the cherry, selling a first tranche of gilts on the back of market expectations, followed by a second tranche on the back of the reality of falling rates.

Fairley Pearson's prize

Hambros's initiative in making an unsolicited bid for Fairley and thus forcing some action out of the NEB on the sale of the company, has ended with a bitter defeat for the bank.

Pearson's £24m offer has been the day. It was high enough to knock out other potential bidders and the daily other actual one, Hambros, which was talking about a package worth £23m yesterday morning. The NEB thought, wanted bids on the table, and Hambros's fifth bid offer of £20.5m was clearly outclassed by Pearson's.

So the taxpayer's interest has been satisfied. Whether the company's best interests (the other condition which the NEB had to satisfy itself about) have been achieved will continue to be a matter of debate.

Certainly Hambros and the management of Fairley believed at the outset that the company should remain independent and that the Hambros offer of an institutionally-based bid with a view to returning Fairley to the market in a couple of years was attractive. Perhaps, though, the NEB thought that further period of uncertainty for the company and its employees was not in its best interests. Anyway, Pearson has added a substantial new engineering arm and paid around 8 times forecast earnings for it.

Despite fears about falling advertising revenues, and about the impact on profitability of subscriptions to the fourth television channel (which is due to start broadcasting in 1982), there is unlikely to be any shortage of candidates for new Independent Broadcasting Authority (IBA) closes its lists to potential applicants on May 9.

In addition to the 14 companies operating as television contractors which can be expected to fight tooth and nail to keep their business, at least another 20 consortia are believed to have applied to run the 17 television areas and the projected breakfast channel. Most of them are going to be disappointed.

For just as, in reshaping the television area earlier this year, the IBA made very few changes—apart from the introduction of two more dual regions (Midlands and South-east)—a "breakfast programme"—so there are now fears that they will also play for safety when it comes to allocating the contracts for the established companies.

The established companies have all proved that they can run a network—even though their manner of running it might leave something to be desired. The newcomers have, by definition, money and enthusiasm to offer—but in most cases, relatively little in the way of experience.

It is not yet clear as though there are companies around which lost their contracts in the last round of licence negotiations in 1968 and having learnt humility in the meantime are trying to get back into this market. Only one—Television Wales and West—was pushed out of the business altogether; and that ended up as a cash-rich shell company, rather than a television contractor.

However, if the arguments for experience prevail this time they can be expected to prevail to eternity; and under these circumstances, it is not surprising that the IBA might as well give up its pretensions to licensing altogether.

Technology

When international tension means high profits

A company with the noncommittal name of British Manufacture and Research exported almost exactly 90 per cent of its output in 1978-79. A company with the incompressible name of Esams exported almost exactly 100 per cent of its output.

Both companies are in the defence electronics business, and both are subsidiaries of the same parent, the International Aeradio, or IAL, exported 83.4 per cent.

On export performance these are the stars in an Inter-Company Comparison (ICC) analysis published today by the defence equipment industry.

British Manufacture and Research makes ammunition and armaments and is owned by Oerlikon of Switzerland. Esams (originally Elliott Automation Space and Advanced Military Systems and now a part of GEC) does not make anything but offers operational research, systems design and project management services.

For the capital electronics industry as a whole (civil as well as military) the Ministry of Defence is the largest single customer. Defence requires more development work than any other industry and much of the impetus for advanced technology in this sector.

The export performance of these three is remarkable in the average for the industry (50 companies are covered in the ICC analysis) is pretty good, also to wit, 38 per cent. Among the other companies in the business are many of the better known electronics names, for whom the most advanced technology often appears first in military systems and later finds its way into civil markets.

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INDEPENDENT TELEVISION CONTRACTORS: PROFITABILITY

Company	Latest year-end	Profit on pre-tax profits	Return on shareholders' funds	Profit decline 1974-75	Other activities
Anglia TV	31/10/1979	2,640	-25.2	32.6	House construction
ATV	31/3/1979	6,286	+18.3	—	Films, records, property
Granplan TV	28/2/1979	406	+8.1	15.2	Loss £28,500
Granada GP	30/9/1979	6,363	-20.8	—	Book and music publishing, cinema motorway services, TV rental
HITV Group	31/7/1979	4,498	+31.9	37.8	Fine art dealers
London Weekend	25/7/1979	6,843	+16.9	29.8	Book publishers, tour operators
Scotish TV	31/12/1979	1,718	-15	+24.5	Independent radio
Thames TV	28/7/1979	9,217	-18.5	24.6	Leisure parks
Trident TV	30/9/1979	7,282	-19.5	22.8	—
Ulster TV	31/7/1979	563	-12.8	+24.4	—

1978 figures. ** Through Profitability (50 per cent holding with BMD). † Yorkshire and Tyne Tees. *** Amalgamated figures.

Not that it will. The consequences for programme quality are altogether too well rehearsed. And though a perpetual monopoly might appear attractive in theory, the financial consequences, too, could be unfortunate for both the contracting companies and their shareholders.

For it would be hard for them to justify the handsome sums they make from their monopoly at the moment of that monopoly were to be perpetuated.

A licence to operate as an independent television contractor is no longer, as it was in the days of the first Lord Thomson, "a licence to print money".

It is still a very profitable business. These independent television companies, reporting data in 1979 almost all came up with pre-tax profits which represented a return on shareholders' funds of over 20 per cent; and two of them—HITV and London Weekend—made a return of more than 30 per cent.

The next set of figures are unlikely to be as good, because of the 10-weeks' technicians' strike which blacked out television screens last autumn, and which, it is estimated, cost the contractors £50m.

All the same, with advertising that had been held over during the strike packing the schedules in its aftermath, and rates bumped up thereafter (by as

much as 30 per cent in the case of Thames), it has since become obvious that the £20m which the companies thought they might be able to claw-back after the strike was an under-estimate.

But there are two problems facing the contractors which will almost certainly mean reduced profitability over the next three years. In the first place, a decline in consumer spending is likely to mean reduced advertising revenue; in the second, they are expected to fund the initial costs of the second television channel.

The effects of a decline in advertising spending, emerged very plainly during the 1974-75 recession, when most of the independent television contractors suffered a sharp setback in profits. However, only one—Granplan—lost its licence, which has always been relatively precarious—actually went into the red, and all of them recovered with remarkable speed.

By 1975-76 were in almost all cases higher than they had been two years earlier. So, although profits may do little more than mark time this year and will probably dip in 1981-82, there is at any rate a strong probability that they will recover thereafter.

As to the subscription to the fourth channel, which begins broadcasting in 1982: the £60m-odd estimated cost of

the first year's operations is to be split between the contractors, roughly in proportion to their rents—which means that the London weekday channel will be paying the most, with the North-west and the Midlands not far behind. This will be a direct charge on revenue; but it can be offset against the television levy, which will be reduced in consequence.

So although the Government's take will certainly decline, the return to shareholders will be less affected, if at all. It is for these reasons that two sets of stockbrokers—Vickers, de Costa, and Keith Stokes of W. Green—have recently come up with the opinion that while the short-term outlook for the television contractors may be none too brilliant, anything more than a two-year view of their shares are distinctly attractive.

The exceedingly handsome profits which television contractors make—when they are good (and the respectable returns that they make, even when things are less buoyant) can be traced to one cause, and one cause only: the fact that they have monopoly access to television advertising; while the second independent channel is going to do nothing to disturb (though a breakfast channel might).

The monopoly induces intermittent rage in the advertisers (as when the contractors put up their rates in the aftermath of the strike, even though they had not regained control of the ratings). It also induces interest in the Government. So Mr White's?

Whitehead, the Home Secretary, announced recently that both he and Sir Geoffrey Howe, the Chancellor of the Exchequer, were "firmly of the view that the public should share in the profitability of the exploitation of a public monopoly."

In the second place, there is the television levy, which is directly determined by profitability; and finally there is the corporation tax charge.

According to the Independent Broadcasting Authority, five sixths of the profits which television contractors receive go to the Government in the shape of levy and tax. If that still leaves some return on the capital they have put into the business, it is more than a just return for investment in what is essentially a rapidly wasting asset—the franchise.

If, however, the franchise is to be granted—overly or de facto—privately to its present operator, there is going to be a strong case for an increase in the levy. For shareholders, the result would be greater certainty but lower profits. For audiences, the result would be worse television.

A decision in favour of the existing contractors might be safe in the short-term. In the longer run it would not be likely to satisfy anyone.

is probably uppermost in most western governments' minds and can be expected to increase in the near future in order to redress the balance of power.

But Mr J. Sutherland, of the EEA, sounds a warning for the future on behalf of his association's members. In the association's annual report just published he says: "Although 1979 was a good year for the capital electronics industry, we enter 1980 predicting a general deterioration in trading prospects following a general decline in the world economic climate, exacerbated by the high level of the pound relative to other world currencies."

Industrial problems during the year and inflation have further combined to damage future profitability and competitiveness. It will be virtually impossible to sustain the excellent export record this industry has established in the last decade or two."

These dangers always exist in countries where the political climate is subject to change and must be accepted by the defence contractors. Defence spending

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Business Diary: Beware the platitudes du jour

Peter Prior and Gerry Hawkes lunched together in London yesterday in more convivial circumstances than might be expected.

Prior is the chairman of Bulmers Cider and Hawkes the managing director of contract caterers Gardner Merchant. Gardner Merchant is part of the THF hotels group, whose bars are notoriously reluctant to sell Bulmers ciders, preferring the Coates Gamvins Whiteways products of their sometimes shareholder, Allied Breweries.

Nonetheless, here was Prior and there was Hawkes—and the Bulmers chairman may have agreed to help Hawkes judge Gardner Merchant's annual award for a paper on catering.

The winning paper this year came from Gerry Shipley, a principal administration assistant to the Port of Bristol Authority, a Gardner Merchant client, who wrote on "The advantages of single status feeding."

I did not know what this was—and nor to begin with did Prior—and neither of us thought we liked the sound of it. "Rather like battery hens," Prior said.

It turned out to be the idea that management and workers should all eat the same things in the same place at work.

"The most obvious advantage of single status feeding," Shipley's paper said, "is one of cost and efficiency." A big disadvantage is that in an automatic



Gerry Hawkes, Gerry Shipley and Peter Prior in London yesterday.

organization management and other ranks will so dislike each other anyway that eating together will only make for more friction.

The idea was obviously music to the ears of Hawkes, whose organization provides catering facilities, single status or otherwise, for organizations as diverse as Elton and the construction yards.

Hawkes suggested that single status feeding worked only where middle managers felt secure and were well-paid and therefore not jealous of perks such as exclusive lunchrooms.

The democratic dining room, he said, was no good if it was a "token gesture" by management; it had to be a reflection of the company's management style.

I took up this point with Hawkes Shipley, and Prior, to find that of the three only Prior could point to single status feeding's being in practice at his company.

Prior said there was a special dining room at Bulmers headquarters, where visitors were entertained, but otherwise managers and managers alike used the same self-service or waitressed canteen.

Shipley told me that the Bristol Port Authority was "going a long way towards single status feeding."

It too, had a separate dining room for entertaining visitors, but this also patronized by top management.

The authority had also opened a new canteen at the docks, where the intention had been to let people mingle. However, the dockers had objected to eating with the post-pushers and that was that.

According to Hawkes, Gardner Merchant has even further to go in the single status road. "Nine per cent of our office staff have luncheon vouchers," he said. "There are vending machines open to everybody."

The reason was logistical rather than philosophical, he explained. The half dozen offices had between 15 and 20 staff each, so canteens were not feasible—most employees worked on clients' premises anyway.

Nonetheless, there is a dining room at the Crydon headquarters for entertaining.

Prior's ignorance of single status feeding did not deter him from being a judge: his credentials as a chairman of the 1978 Committee of Inquiry into motorway service areas—of which THF is the largest operator in this country.

Prior was at all 39 sites and manifestly survived.

In vain did I look for Clement Freud over the Scots salmon and allsorts. I had been savouring the possibility of snubbing him for being so rude at the Japanese Embassy the other day when he declined to say hello, when introduced by a mutual acquaintance.

Evidently he reserves his bonhomie for his radio programme, *Just a Minute*.

But I did hear an elementary

anecdote concerning Lord Goddard, the capacious master of University College, dubbed "Two-Dimmers" by Private Eye.

Hawkes told me that he invited the master to lunch when successfully tendering for the college's canteen. "Hardly ate or drank a thing," Hawkes said.

Central bankers are renowned for their secretiveness and common desire to pull the wool over the eyes of those trying to find out what they are up to.

But yesterday's announcement from the Governor of the West German central bank sets new records. Karl Otto Poehl told journalists that press conferences would no longer be called automatically unless the bank had important announcements to make about its credit policy.

This had led to embarrassing pressure in the past when it was not unreasonably assumed that if a press conference was called, some interesting change in policy was likely to be announced. From now on, "some credit policy decision will not be announced by press conference, while conversely, press conferences will sometimes be convened when no decisions are to be announced."

Ross Davies

UNION MINIERE

Registered Office: rue de la Chancellerie, 1, Brussels
Brussels Register of Commerce no 13.377

NOTICE TO SHAREHOLDERS

Shareholders are invited to attend the annual General Meeting which will be held on Thursday 22nd May 1980, at 10.30 a.m. in the Office of the Société Générale de Belgique, 30 rue Royale, Brussels.

AGENDA

1. Reports by the Board of Directors, the Auditing Commission and the legal Auditor for the financial year 1979.
2. Approval of the annual accounts closed as of December 31, 1979; distribution of the profit.
3. Discharge to be granted to the Directors and Auditors.
4. Statutory appointments.

In order to be admitted to this Meeting owners of bearer shares must deposit their shares not later than Friday 16th May, 1980, with anyone of the following Banks:

- In Belgium: with "Société Générale de Banque", in Brussels or any of its other offices and agencies.
- In France: with "Banque Belge (France)", 13, rue Volney, 75002 - Paris.
- In the Netherlands: with "Amsterdam-Rotterdam Bank", Herengracht 595, 1001 Amsterdam.

Owners of bearer shares will be admitted to the Meeting on producing a statement from one of the above banks mentioning the identity of the owner of the shares and certifying that the shares will remain deposited from 16th to 22nd May, 1980 included.

Owners of registered shares must advise the Company not later than Friday 10th May, 1980, of their intention to attend the Meeting or to be represented.

Proxies conferred according to article 30 of the Articles of Association, must be deposited not later than Friday 16th May, 1980, at the Company's Registered Office, rue de la Chancellerie 1, Brussels.

Proxy forms are available to shareholders at the Company's Registered Office and also at the above-mentioned banks.

The Board of Directors

FINANCIAL NEWS

Henry Boot resumes dividend payments

After three years of declining profits, Henry Boot has resumed dividend payments. The company, which has been in a state of financial distress since 1976, has reported a profit of £2.23m in 1979, after a pre-tax profit of £12.00m in 1978. The company's 1979 second-half performance was a record, with sales rising from £78m to £82m. It now looks as though full-year profits in 1980 will at least exceed the £2.55m record established back in 1975. The final dividend has been restored at 14.3p gross, against nothing last year, and 9.95p gross in 1977, on the equivalent rate. With the shares at 145p, that gives a gross yield for the full 1979 year of 12.8 per cent. The share price, which has been underpinned by brokers Messel at 340p minimum, adding in 95p of a now somewhat out-of-date estimated property surplus. The profit recovery in 1979 came from a return to profits in the construction and civil engineering division after a £4.7m loss in 1978. Substantial and sufficient (but undisclosed) provisions were made in 1978 against the division's loss-making local authority housing contracts. Some are still to be completed, but should not produce further losses. There may even be some clawback from the 1978 provisions. Agricultural machinery, safety cabs for tractors—made a similar loss to 1978's £365,000 shortfall. It is still making losses, and has done ever since its acquisition in 1977, when the loss was £75,000. Most other divisions did well in 1979. The finance division, providing mortgage advances, benefited particularly from higher interest rates. The company eliminated its £288,000 overdraft in 1979 and in the last few months of the year actually had cash of between £11.2m and £12.5m, also earning interest on deposit.

Record year for D & N

By Philip Robinson

Dan-Air, the charter and scheduled airline operator which provides the bulk of profits for Davies & Newman Holdings, starts its first regular flight to Germany in ten days. Although the service is expanding, Mr. Frederick Newman, the chairman, said yesterday that the most important factor affecting the future is the possible erosion of profit margins from escalating fuel costs.

Mr. Wilfred Jones, the financial director, said he could not put a figure on just how much fuel went up last year, but said: "It was quite dramatic and there has already been an increase this year."

The warning came as Davies & Newman reported record figures for last year up from

£2m to £3.3m on turnover 10 per cent higher at £129m. The results reflect the expectation that the shares rose 15p to 131p.

Shareholders get a 22 per cent dividend increase to 14.25p with a 9.8 final. D & N has also announced a one-for-six scrip issue to bring shareholders' funds more in line with working capital.

Selling aircraft reduced the £5m borrowings at the year end last December, keeping interest charges almost static at £748,000. But recent aircraft purchases, increasing the fleet to 48 aircraft, of which five are Comets, will mean that borrowings will top £5m now and for 1980 are likely to be much higher.

A lower tax charge and an exceptional credit of £458,000, which the group had put by

pending two aircraft purchases last year, have lifted post-tax earnings from £1m to £3.5m. Retained profits came to £2.5m against £724,000 last year.

Mr. Newman said there had been steady growth of the business throughout the year and although general trading had continued to be uncertain, all main activities had improved.

Shipping, which accounts for about 10 per cent of profits, "continues to be active", he said.

Mr. Newman says that while the full employment of the Dan-Air fleet in the summer should form a sound basis, it is too early to forecast results for this year.

The group is still awaiting an explanation for the crash of a Boeing 727 in the Canary Islands last Friday.

Mowlem manages to contain fall in profits

By Peter Wainwright

The United Kingdom construction recession can hardly leave John Mowlem, the building and engineering group unscathed, but it nearly did in the year to December 31. Last turnover actually rose from £163.68m to £190.22m, enough to keep pre-tax profits as high as £5.72m against £5.92m.

Indeed, Mowlem did better than some observers expected, given that turnover in the first six months only edged ahead, while pre-tax profits actually

fell from £2.41m to £2.33m. Bad weather hit United Kingdom civil engineering in the first four months, but associates were said to have gone ahead, pinpointing the growing importance of Middle East work and the computer bureau.

Mowlem has been dismissed as largely a United Kingdom contractor, but of the £190m turnover as much as £45m or so now arises abroad where Mowlem finds margins as good or better than at home.

Mowlem Engineering Products sends as much as 80 per cent of its business overseas, while another important subsidiary, Soil Mechanics, has nearly 70 per cent of its work abroad.

The tax charge of £1.77m (compared with £1.51m) is light—and even among civil engineers. Last year, it was 31 per cent of taxable profits and it is understood that it will stay light this year too. It is apparently a question of where profits arise, and are spent.

The upshot is that net profits fell modestly from £4.45m to £3.89m and any fall this year should again be small. The group contents itself with expecting profits "similar" to 1979's.

Meanwhile, the balance sheet is understood to remain unscathed with no net borrowings. Shareholders' funds are up to £149.4m, the shares duty rose 2p to 107p.

Cavenham asks for time

From Anthony Hilton

New York, May 1
Cavenham Inc., the American arm of Sir James Goldsmith's empire which may bid for control of Diamond International, an American timber and packaging company, today asked Diamond shareholders to give it time to present its case.

Earlier, the Cavenham approach had been rebuffed by the Diamond management. In a letter to shareholders released yesterday its president, Mr. William K. Cavenham, said the company's offer for the company's stock was "nothing but a proposed offer to buy control of the enlarged group."

Cavenham's letter reveals that it has had talks with Diamond's management, but its objections to the Brooks-Scanlon deal had been ignored. It was therefore forced to consider a bid to block the merger and protect its investment. It asks shareholders to delay approving the deal for three months to consider Cavenham's alternative proposals, though it has not yet revealed what these will be.

In documents filed with the Securities Exchange Commission today, Cavenham details its objections to the merger. This claims it would mean dilution of both assets and earnings for Diamond and alleges that shareholders have not been fully informed about recent declines in earnings and plant closures which could lead to a halving of Brooks-Scanlon's profits.

Wall Street analysts point out that Cavenham has raised some \$240m from planned asset sales here and has a further \$100m in liquid assets. It could therefore bid an attractive \$50 a share for Diamond and hope to win control. But it probably could not afford to buy control of the enlarged group.

Cavenham's letter reveals that

International

Diamond shareholders are due to vote on a merger with Brooks-Scanlon at a meeting on May 12 and if that deal goes through Cavenham's 59 per cent stake in Diamond will be diluted by about a fifth.

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Hoechst world profits up 56pc for year

Hoechst achieved world group net profits of DM650m (£155m) in 1979, up 56 per cent from DM417m in 1978, and parent company first quarter net profits of DM344m, up 30.3 per cent from a year before.

Hoechst expects sales volume to rise by about 3 per cent in 1980, which would enable the company to achieve a reasonable result, says Rolf Sammer, managing board chairman.

He told the annual press conference that the company maintained this view despite first

quarter 1980 data which showed a far greater expansion over the year-ago period. This was because first quarter 1979 was relatively weak and Hoechst prices were lower, he said.

Parent company turnover in the first quarter of 1980 was DM3,040m, a 21 per cent increase on the 1979 period, says Sammer.

However, if that figure is compared with the quarterly average for 1979, the increase is only 13.5 per cent, or in real terms 8.2 per cent, he said.

Audi profits 46pc ahead

Audi NSU Auto Union AG, the Volkswagen group subsidiary, reported after-tax profits up 46.5 per cent to 83.5m marks last year from 57m in 1978.

Turnover rose to 5,176m marks from 4,516m and vehicle production was up to 344,000 from 317,150.

A statement issued with the report said Audi had maintained its goods performance in the first three months of 1980.

General Dynamics higher

General Dynamics Corp reported net profits for the first quarter of 1980 of \$36.3m, or \$1.33 a share, against \$29.5m and \$1.08 a share a year earlier.

Sales rose from \$893.6m to \$1,070m.

Quaker Oats up

Quaker Oats reported net profits for the third quarter to March 31 of \$28.3m, or \$1.36 a share, up from \$24.2m and \$1.16 a share a year earlier. Sales rose to \$620.8m from \$502.1m.

Quaker said the increased third quarter earnings reflected favourable performance in US grocery products, Fisher-Peterson and chemicals, and a \$5.6m pretax gain from foreign exchange.

Wereldhave offshoot

Bellegem's Wereldhave has set up West World Holding, a real estate investment trust in the United States to combine its interests there.

At the end of 1979 about 20 per cent of its total investments of \$50m (£203m) were in the United States.

Initially it will issue 6,500 shares at \$10.00 a share with subscriptions also open for third parties, but priority will be given to present Wereldhave shareholders, it said.

Marathon confident

Marathon Oil Co expects 1980 net income to show an improvement from last year "although the percentage gain may not be as large as was achieved in the first quarter," Mr. Harold D. Hoopman, president, told the annual meeting.

First quarter profits, announced earlier, rose by 33 per cent.

Shiloh Spinners down 77 pc

Despite a rise in turnover from £8.4m to £9.4m for the year to March 29, pretax profits for Shiloh Spinners have dropped 77 per cent to £65,000. The fall was caused by increasing costs, high interest rates and the increasing flow of cheap imports.

Shareholders are to collect a maintained dividend of 2.6p gross.

The board says that the results were made during some of the worst trading conditions experienced by the industry.

Prospects for the immediate future are not good, but with the recent reorganization and re-equipment programme, the company is well placed to take immediate advantage of any improvement in trade when it comes.

Cope Alkman in £2m purchase

Cope Alkman International is paying £2.35m for East Anglian Enterprises and Bell-Fruit (East Anglia). The vendors are Mr

G. C. Watling and Mr R. S. Needs.

The two companies being acquired had profits before tax and extraordinary items of £245,000 for the year to June 30. Their combined net assets were £781,000 at that date, but are since estimated to have increased to about £1m of which not less than £500,000 is available in cash.

Management accounts indicate their current profitability is running at about £30,000 a month.

F. J. C. Lilley in U.S. deal

F. J. C. Lilley has acquired 80 per cent of Harrison Western Corp of Denver, Colorado, a construction company operating principally in the mid-west of the United States.

Harrison's average pretax profits for the three years to December 31, 1979, were \$1,050m and its net assets at 1979 amounted to \$3.3m.

On that assets basis, the consideration amounts to \$3.90m

but provision has been made for the adjustment of the purchase price with a maximum of \$4.52m dependent on the receipt by Harrison of certain amounts whose recovery is under negotiation.

United Wine slips in first half

United Wine Group reports turnover for the half year to March 29 at £7,562m against £6,652m, but a slip in pretax profits from £649,000 to £534,000. Earnings a share are 4.0p against 3.6p, while the interim is held at 2.2p net.

The fall in profits, which has been particularly severe in the wine division, is due largely to the continuing strength of sterling. On the other hand, the South African companies made a good contribution to the results and are expected to do equally well in the second half.

This will help to compensate for the more difficult trading conditions which are expected in the United Kingdom during the second half-year.

Shareholders' funds are up to £149.4m, the shares duty rose 2p to 107p.

Meanwhile, the balance sheet is understood to remain unscathed with no net borrowings. Shareholders' funds are up to £149.4m, the shares duty rose 2p to 107p.

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Loss at Martin-Black

Martin-Black, the Glasgow-based wire ropes manufacturer, has reported a £445,000 loss for the year to last December. This compares with a pre-tax profit of £199,000 made previously.

After tax and adjustments to deferred tax which throws up £476,000 in recoverable tax, net profit turns out at £31,000 against £132,000 previously. The dividend, which was 10p, is now being passed.

The interim dividend had been deferred for consideration to the end of the year after the company had announced a loss of £109,000 as against £244,000 profit.

Shareholders had been warned that market conditions for the company's products had been difficult. These conditions continued for the full year.

The first quarter figures for the current year are ahead in terms of sales over the first quarter of 1979, which had been affected by the transport strike.

Business appointments

Mr Bowring joins Marsh

Mr Edgar R. H. Bowring, former chairman of C. T. Bowring & Co, has accepted an invitation to join the board of Marsh & McLennan Companies as a non-executive director.

Mr P. V. Olsen and Mr A. H. M. Kelsey have been admitted to the membership of Kitchell & Alden.

Mr A. M. Robertson has been appointed to the board of Howard Sherrington (Holdings).

Mr J. M. G. Bradbury becomes managing director of Bonstead Commodities.

Mr George Palmer is now managing director of the LNC Products division of LNC International.

Mr I. M. Brady has been made chairman and managing director of Bristol-Myers Company.

Mr Brady replaces Mr J. G. Kelsey, who is returning to the United States to take up a senior position with the parent company.

Mr Eric Carter, deputy group chief executive (International business) and a director of National Westminster Bank, has been appointed to the board of its wholly-owned subsidiary, National

Bank of North America. Mr Thomas P. Frost, President of National Bank of North America, has assumed the additional duties of chief executive officer. Mr Frost will continue as chairman.

Mr D. S. Ottway becomes managing director of Portals (Bathford).

Mr Peter Davis and Mr David Hyman have joined the board of Harris Keynesway Group.

Mr Len Payne, director of distribution, has joined the board of J. Sainsbury.

Mr John Millican is to become the new United Kingdom sales director of Clark International Marketing materials handling group.

Mr John Barber has been made deputy chairman and Mr Anthony Good a director of John E. Williams & Co.

Mr Yves Lamarche, chairman of Banque Arabe et Internationale d'Investissement, has been appointed to the board of BNL Samuel Group.

Mr Robert A. Norman and Mr George Preston join the London advisory board of The Bank of New South Wales.

CONSUMER SPENDING

The following are the first estimates for consumer expenditure in 1979, seasonally adjusted at constant 1975 prices, published by the Central Statistical Office yesterday.

	1979	1978	% change
1st 3m	18.4	18.2	+1.1
2nd 3m	18.5	18.3	+1.1
3rd 3m	18.6	18.4	+1.1
4th 3m	18.7	18.5	+1.1
1st 6m	36.9	36.5	+1.1
2nd 6m	37.0	36.8	+1.1
3rd 6m	37.1	36.9	+1.1
4th 6m	37.2	37.0	+1.1
1st 9m	55.6	55.4	+1.1
2nd 9m	55.7	55.5	+1.1
3rd 9m	55.8	55.6	+1.1
4th 9m	55.9	55.7	+1.1
1st 12m	75.6	75.4	+1.1
2nd 12m	75.7	75.5	+1.1
3rd 12m	75.8	75.6	+1.1
4th 12m	75.9	75.7	+1.1

* 12m deposit on basis of £10.00 and under 15%, up to £25.00 and under 15%, over £25.00 and under 15%.

Provisional

Bank Base Rates

ABN Bank	17%
Barclays Bank	17%
BCCI Bank	17%
Consolidated Credits	17%
C. Hoare & Co	17%
Clydes Bank	17%
London Mercantile	17%
Midland Bank	17%
Nat Westminster	17%
Rossminster	17%
TSB	17%
Williams and Glyn's	17%

* 12m deposit on basis of £10.00 and under 15%, up to £25.00 and under 15%, over £25.00 and under 15%.

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London and Manchester - a year of considerable achievement

Extracts from the statement by the Chairman, Mr H L K Browne, F.C.A., on the Group Report and Accounts for 1979

1979 was a year of considerable achievement in most of the Company's activities. In the Home Service Division further records were established both in new business production and in growth of premium income and very satisfactory progress was made in the development of the Pensions Division. The rate of interest earned on the Company's funds was again increased and enabled a larger rate of Ordinary Branch reversionary bonus to be declared. These results would not have been possible without the industry and determination of all those who work for us and I take this opportunity to express my appreciation to the staff for all they have done during the past year. I also thank my fellow Directors for their support and helpful advice during what, in many ways, has been a challenging year.

Mr. Dennis Baker, a Director and former General Manager of Wellfare, who was appointed to the main Board in 1976, relinquished his appointments with the Group on 31st December, 1979 by mutual agreement. I would like to acknowledge his unstinting efforts, particularly in regard to Wellfare Insurance over the past 5 years, and to wish him well in his future career.

I am pleased to report that Mr. Ian Henderson, M.A., F.I.A., has been appointed General Manager (Investments) and will be joining the Company before the date of the Annual General Meeting.

During 1979, and following discussions with the Union, the Company

Stock Exchange Prices

Oils forge ahead

ACCOUNT DAYS: Dealings Began, April 28. Dealings End, May 9. \$ Contango Day, May 12. Settlement Day, May 19
\$ Forward bargains are permitted on two previous days

[illegible]

PERSONAL CHOICE



Bobby Ball and Tommy Cannon say "Rock-on" with their own brand of humour in *The Cannon and Ball Show* (ITV, 7.30)

● Exploring the curiosities of married life is not exactly a new theme for drama, but tonight's Playhouse has certainly come up with something different. David Cowe's play *Mary's Wife* (BBC 2, 9.00) is about the problems of a woman married to a transvestite. Mary, played by Barbara Leigh-Hunt, has done her best to live with her husband's little oddity: she allows him "knickers and high heels one day a week and in the evenings sometimes", but as everyone knows, you give a man an inch and he'll take a mile. The husband who is his own mistress is played by Robert Gillespie who, if I remember correctly, tried out transvestism in an earlier series of the dreadful comedy show *Agony*.

● London viewers can discover what is behind the office building in the capital by watching *The London Programme* (LWT, 11.00). The Environment Department is now considering two big developments, one at Vauxhall and the other at Waterloo, and the boom is much more soundly based than was its predecessor in the early 70s—but are all these offices really necessary?

● There is a treat in store for Radio 3 listeners this evening. Carlo Maria Giulini conducts the Los Angeles Philharmonic in a performance of the "Eroica" broadcast live from the Royal Festival Hall. The orchestra also plays the Adagio from Mahler's Tenth. The concert begins at 8.00 with the Mahler and the Beethoven will start at about 8.45, after a break for Poetry Now.

WHAT THE SYMBOLS MEAN: (S) STEREO; (B) BLACK AND WHITE; (R) REPEAT.

Broadcasting Guide

Edited by David Sinclair

TELEVISION

BBC 1

6.40 am Open University: Current Affairs; 7.05 *Deer Farming*; 7.30 *Caffineine Project*. Close down at 7.55.
9.05 *For Schools, Colleges: Appuntamento in Italia: Citta e Campagna* (r); 9.35 *Merry-go-round: Sex Education* (r); 10.15 *Merry-go-round: Keeping up with the Times* (r); 10.35 *Gong to Work: People at Work* (r); 11.00 *Hyn o Fyd: Y Brenin Arthur* (r). Interval at 11.20.
11.25 *Yon and Mrs: Today's programme* has a distinctly Chinese flavour, with *Pik-Sen Lin*.
11.40 *For Schools, Colleges: Exploring Science—Energy* (r). Close down at 12.00.
12.45 pm News.
1.00 *Pebble Mill at One: Interview* with actress Sheila Scott, who recalls *Amy Johnson's* historic flight to Australia 50 years ago and talks about her own exploits. Also, Dr. Paul Corbridge, of Warwick University, explains his theories about the repeated battles between teenage gangs, which many seaside resorts must be fearing this Bank holiday weekend.
1.45 *Camberwell Green: Animated* puppets (r).
2.02 *For Schools, Colleges: Scene—The Kids Are O'ay*.
2.30 *International Showjumping: The Evert Double Glazing Stakes* from Hickstead, plus highlights of yesterday's cross-country event.
3.55 *Play School: The story* is a traditional one. The Three Bears, the Three Little Pigs, the Three Cows from Hickstead, plus highlights of yesterday's cross-country event.
4.20 *The Hills of Heavens: The adventures of three children* among the Lancashire coal tips in the 1930s (r).
5.40 News with Richard Baker.
5.55 *Nationwide*, including the usual preview of the weekend's sport.
7.00 *The Wonderful World of Disgrace* Part 2 of the melodramatic story of the Stowaway Dog, with Guy Stockwell.
7.50 *Citizen Smith: Repeat* of the previous episode in which wraith played by Robert Lindsay decides he must become a martyr to the cause of the Tooting with a star. *Smith* is a comedy series set off to a rather uncertain start last week, but now the characters have been established, I look forward to better things.
8.50 *Points of View: Harry Took with viewers' comments*.
9.00 News with Richard Baker.
9.25 *Amateur Boxing: Harry Carpenter* at the George Wimpey.

BBC 2

6.40 am Open University: 6.40 Algorithms; 7.30 *Measuring France* (r); 7.55 *Measuring France* (r); 8.00 *Measuring France* (r); 8.15 *Measuring France* (r); 8.30 *Measuring France* (r); 8.45 *Measuring France* (r); 9.00 *Measuring France* (r); 9.15 *Measuring France* (r); 9.30 *Measuring France* (r); 9.45 *Measuring France* (r); 10.00 *Measuring France* (r); 10.15 *Measuring France* (r); 10.30 *Measuring France* (r); 10.45 *Measuring France* (r); 11.00 *Measuring France* (r); 11.15 *Measuring France* (r); 11.30 *Measuring France* (r); 11.45 *Measuring France* (r); 12.00 *Measuring France* (r); 12.15 *Measuring France* (r); 12.30 *Measuring France* (r); 12.45 *Measuring France* (r); 1.00 *Measuring France* (r); 1.15 *Measuring France* (r); 1.30 *Measuring France* (r); 1.45 *Measuring France* (r); 2.00 *Measuring France* (r); 2.15 *Measuring France* (r); 2.30 *Measuring France* (r); 2.45 *Measuring France* (r); 3.00 *Measuring France* (r); 3.15 *Measuring France* (r); 3.30 *Measuring France* (r); 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Rolls-Royce, the state-controlled aircraft manufacturing company which is to receive further government support towards meeting its cash needs of £180m this year, has disclosed losses of £10.7m over the year. The scale of the downturn from the previous year's pretax profit of £10.7m has been somewhat unexpected, but has been explained by Sir Frank Cadman, the chairman, as the result of disappointing aircraft orders. Sir Frank, who took over from Lord Keith of Caslake earlier this year after the Gov-

ernment's decision to transfer responsibility for the company from the National Enterprise Board to the Department of Industry, said that the most important reason for the losses was the loss of contracts because of the weakness of the American dollar on big contracts with United States companies. He said that the company had been expected to be profitable when they were accepted were likely to be unprofitable, though the extent of unprofitability would depend on inflation and exchange rate fluctuations and

are higher. The risk of an attempt later at suicide is high and some research has shown a link between early motherhood and a poor relationship between the mother and baby, and baby battering.

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